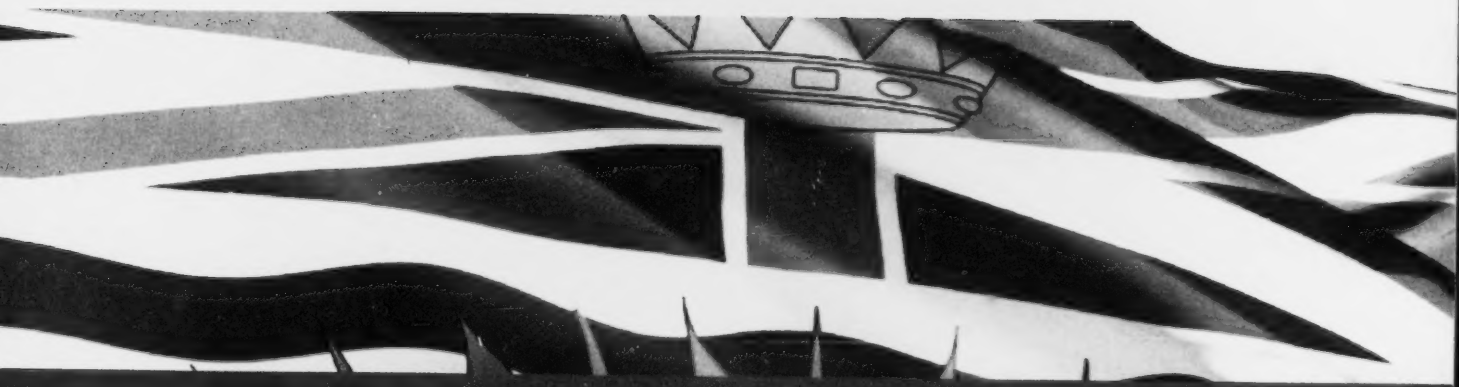
Merit Commissioner

Upholding Fair Hiring in the BC Public Service



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Merit Commissioner

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Office of the
Merit Commissioner

The Honourable Bill Barisoff
Speaker of the Legislative Assembly
Province of British Columbia
Parliament Buildings, Room 207
Victoria, British Columbia V8V 1X4

Dear Mr. Speaker:

It is my honour to present the 2009/2010 Annual Report of the Merit Commissioner. This report is submitted pursuant to section 5.2 of the *Public Service Act*, Chapter 385 of the Revised Statutes of British Columbia.

As an Officer of the Legislative Assembly, I would be pleased to appear and report further on these matters at the request of the Members of the Legislative Assembly.

Respectfully submitted,

Fiona Spencer

Fiona Spencer
Merit Commissioner

Victoria, British Columbia
September 2010

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Message from the Merit Commissioner

On February 9th, 2010, following the opening of the Second Session of the Thirty-Ninth Parliament, my appointment as British Columbia's second independent Merit Commissioner was unanimously approved by all members of the Legislative Assembly. I am honoured to have been chosen to contribute in this unique and important way to building and sustaining a strong public service and will take action throughout my term to uphold the principles of fair and merit-based hiring.

I have the privilege of succeeding Joy Illington as Merit Commissioner and take this opportunity to acknowledge her contributions and dedication. As the first Merit Commissioner to be an independent Officer of the Legislature, Joy established the Office and developed a demanding work plan to establish baseline data about the application of the merit principle in the BC Public Service. By overseeing the completion of robust audits of appointments to and within the Public Service, she provided a firm foundation for future work and the challenges ahead. Joy's integrity and purposeful approach are evident in the numerous reports, studies and reviews that were completed during her term and I thank her for setting a high standard of quality and professionalism.

Last year we implemented a slightly different approach to the random audit process that provides us insight as to how appointment processes are being conducted and how appointments are being made. This change allowed us early access to appointment files and ensured managers were provided with timely results. The findings from this audit, however, remained remarkably similar to findings from previous years with respect to the issues identified with merit-based hiring. Disappointingly, we also found that some deficiencies in hiring practices were found to be occurring with increasing frequency. Our concern is shared by the BC Public Service Agency, which has recently introduced some fundamental changes to the process by which appointments are made in the BC

Public Service. Our future audit approach will be adapted to gain insight into whether these changes have improved process and outcomes. My role is to ensure that these system changes do not erode the application of merit, that there is transparency in the hiring processes and that employees can view appointments as fair and unbiased.

Despite identifying areas for improvement, we are pleased that in all cases our audit confirmed that individuals appointed were competent and qualified to do the job. Our findings with respect to the application of hiring policies and procedures seem at odds with the results of the recent BC Public Service Work Environment Survey (WES) which relate to hiring practices and fair appointment processes. These reliable survey results are telling a story of some dissatisfaction with staffing practices, especially in certain organizations or among certain groups of employees. There may be a need to focus our audits in a way that enables us to understand this disconnect and identify areas for improvement. It may be equally important to recognize and give some profile to organizations where the vast majority of respondents consider that appointments made are fair, unbiased and merit-based. Learning from success stories can improve merit-based hiring to the same extent as identifying where improvements are needed.

This report also contains the results of our recently concluded special audit of short-term temporary appointments which focussed on those appointments initially made for seven months or less but that continued for over a year. We found a significant number of such appointments and, given that in most cases these appointments were not as a result of a merit-based process, this is cause for concern. As temporary appointees frequently become permanently appointed in the positions to which they were temporarily appointed, this could be seen as a circumvention of the merit principle. The recommendations flowing from this audit have been provided to the BC Public Service Agency and this Office will be conducting further work in this area to gain better insight into the matter and to monitor if improvements are introduced to address our concerns.

The number of employees who request that the Merit Commissioner review appointment decisions has steadily declined over recent years. The possible reasons for such a decline are many, including lack of awareness, fear of reprisal within their organization, or a sense of futility with respect to pursuing a request. We will be seeking to determine if there are systemic barriers to employees who wish to exercise their right of redress and, if barriers are identified, work to find ways to address them.

I believe that respecting the provisions of legislation and policy as they relate to the application of merit is vitally important to organizational health and employee engagement. I also believe that of equal importance is a respect for the spirit of those rules. If new and creative ways to work within the boundaries of the legislation circumvent the spirit of the merit principle, it will be counter-productive to employee engagement in the long run. While my mandate may not extend to the "spirit" of the legislation, I will endeavour, through the audit of areas of risk or concern, to bring to light where there may be some infringement on that fundamental principle.

Upon my arrival, I was impressed that the small team in the Office of the Merit Commissioner was able to deliver such quality results within the available time-frames. These are self-directed, committed public servants who embody the values and principles we seek to uphold. I am fortunate to have their ongoing support and dedication and look forward to working with them as we face new challenges in the coming year.

Fiona Spencer
Merit Commissioner

The Office of the Merit Commissioner

Corporate Overview

The Merit Commissioner is independent of government, appointed for a three-year, renewable term by the Legislative Assembly and reports to the members of the Legislative Assembly. The mandate of the Merit Commissioner is to provide oversight of and insight into the conduct of merit-based hiring in the BC Public Service. The Merit Commissioner provides credible and relevant information about the degree to which government is fulfilling its duty to hire and promote employees based on the principle of merit.

The Office of the Merit Commissioner is guided by the principles of fairness and impartiality. We apply to ourselves the same standards of integrity in performance and accountability that we apply to others. All those who contact the Merit Commissioner can anticipate respect and, where it is needed, confidentiality. We are passionate about our work and understand that a vital part of being independent is to have the courage to deliver facts and recommendations about what must be improved, as well as reporting progress and accomplishments.

To carry out this mandate, we focus on three business lines: audits; independent staffing reviews; and education about the requirement for merit-based staffing, including its impact on employee engagement. The products of our work include audit reports, studies, review decisions, and educational materials. These outputs all support the long-term goal of building public confidence and a strong consensus that staffing is based on the merit principle and fair processes. This Office works toward that goal by producing timely reports about merit-based staffing on which government will act to produce changes in merit-based staffing conduct.

Audits are carried out in accordance with generally accepted audit standards using methodology reviewed and supported by government's Internal Audit and Advisory

Services. BC Stats ensures the necessary level of rigour and objectivity in providing random and representative samples. The Commissioner uses qualified performance auditors who are trained to ensure that the same standard of review is applied to all audits.

Audit Advisory Committee

The Office incorporates quality assurance reviews into the audit process. Further consultation, advice, challenge and review is provided by an Audit Advisory Committee, which the Merit Commissioner established for this principal role. The Audit Advisory Committee meets periodically throughout the year to examine the Office's work plans. Committee members are selected on the basis of their professional qualifications, relevant knowledge about the public service, and expertise with performance audits.

Appointments on Merit

Merit has been the foundation of staffing in the BC Public Service for the past 100 years. Over that time, it has developed into the provision that exists today in section 8 of the *Public Service Act* which states that all appointments to and within the public service must be based on the principle of merit.

Merit is commonly accepted to mean that appointments are made on the basis of an assessment of competence and ability to do the job, and are non-partisan. The *Act* sets out a number of factors that must be considered in determining merit. These include the applicant's education, skills, knowledge, experience, past work performance, and years of continuous service in the BC Public Service.

The recruitment and selection processes that result in merit-based appointments include these essential elements: the process is transparent and fair; the assessment method used is relevant to the job; and the decisions that are made are reasonable. Merit-based hiring considers the legislation and hiring policy. Where applicable, it also considers collective agreement requirements.

The *Public Service Act* distinguishes permanent and longer-term temporary appointments from those that are short-term temporary or auxiliary appointments. Employees with permanent and longer-term temporary appointments form part of the core professional career public service on which the government relies for advice and expertise. It is understandable, therefore, that a rigorous standard for making these types of appointments is set out in the *Act*.

Specifically, permanent and temporary appointments exceeding seven months are to be the result of a process designed to appraise the knowledge, skills and abilities of eligible applicants. These appointments require recruitment to attract applicants who will be assessed for merit against the selection criteria required for the job. A competitive process allows applicants to be rated, and ranked relative to one another, so that those who are successful are considered the best-qualified candidates.

Auxiliary appointments and appointments of regular employees for temporary periods of seven months or less also require consideration of merit. A competitive process is not required by the *Public Service Act* but an individual's merit for appointment must be determined.

BC Public Service Staffing System Overview

The *Public Service Act* lays out the responsibilities of the Head of the BC Public Service Agency and the Merit Commissioner, each of whom has certain accountabilities with respect to merit-based appointments in the public service.

BC Public Service Agency Head and Delegated Authorities

The Agency Head has broad human resource management authority in the BC Public Service. This includes specific authority for the recruitment, selection and appointment of people to the public service (either those new to public service or those appointed from within), as well as training and development and establishing policies and regulations. The Agency Head is accountable to the Minister of Citizens' Services.

The Agency Head delegates authority for the hiring and promotion functions to deputy ministers or equivalents. The deputy ministers, acting together as a council, have developed and implemented a corporate human resource plan. The plan is designed to ensure that the public service has the leadership, motivation, skills and training to keep pace with social, economic and technological changes, and to deliver high-quality services to an increasingly diverse population.

Accountability for most staffing activities has been further delegated to individual managers who are knowledgeable about the operational needs of the organization, and the qualifications required to meet those needs. These managers are guided as they exercise their staffing authority by corporate policies and guidelines from the BC Public Service Agency and, where applicable, by the provisions of the collective agreements. They are also assisted by human resource professionals working within the Hiring Centre of the Agency. These professionals support managers by conducting recruitment, screening and assessment activities and subsequently referring suitable candidates to managers for final consideration and selection.

Merit Commissioner

The Merit Commissioner is accountable to all members of the Legislative Assembly and reports, on an annual basis, the results of activities in monitoring the application of the merit principle under the *Act*, including audits and staffing reviews.

Merit Performance Audit

The Merit Commissioner provides independent oversight of the application of the merit principle in hiring and promotions. The Commissioner uses the results of random audits to assess whether:

- recruitment and selection processes are properly applied, to result in merit-based appointments, and
- the individuals appointed are qualified for the job.

Detailed audit findings are reported to appropriate deputy ministers or organization heads to be shared with the individual hiring managers. As an independent audit is a means of holding managers accountable for results, of recognizing performance, and of identifying problems, deputy ministers are expected to take follow-up action as necessary to improve hiring practices within their organizations.

Review of Staffing Decisions

When notified of the outcome of a staffing process, candidates for appointment are also notified that they may seek feedback on their qualifications and suitability for the position to which they had sought appointment. Should an employee applicant wish a review of the staffing decision, they may request that the deputy minister (or equivalent) conduct an inquiry. Should the employee applicant remain dissatisfied, they may request a review by the Merit Commissioner who will provide a final and binding review of the application of merit (for appointments to positions in a bargaining unit). Following the review, the Commissioner will deliver a decision that either upholds the merit of the appointment, or directs the deputy minister to reconsider the appointment. An independent review is another way in which managers are held accountable for applying the principle of merit in their hiring decisions.

Shared Interest

Responsibility for upholding merit-based hiring and promotions in the BC Public Service is shared broadly. Employees' opinions on merit-based and fair staffing practices are solicited every year in the BC Public Service's Work Environment Survey, administered by BC Stats. Responses to questions related to staffing are examined in depth and taken into account as the Merit Commissioner develops audit plans. Approximately 80 per cent of the employees are represented by one of three bargaining associations, which support merit-based staffing: the BC Government Employees' Union (BCGEU); the Professional Employees Association and the Nurses' Bargaining Association. The BC Excluded Employees' Association also has a long record of support for merit-based hiring.

Table 1 summarizes the BC Public Service staffing system.

Table 1: Summary of BC Public Service Staffing System

Merit Commissioner	• Monitors and reports on merit in staffing through random audits • Provides final and binding decisions on merit through staffing reviews for bargaining-unit positions • Reports annually to the Legislative Assembly
BC Public Service Agency Head	• Sets staffing policies and the accountability framework for human resource management with the Deputy Ministers' Council • Provides staffing support and training to client groups in the BC Public Service • Delegates responsibilities for staffing activities to deputy ministers or heads of organizations • Authorizes direct appointments in unusual or exceptional circumstances
Deputy ministers/ organization heads	• Work as a council to carry out the corporate human resource plan • Sub-delegate staffing activities to line managers/supervisors • Respond to the second step in a staffing review process • Receive and take action as appropriate on Merit Commissioner's audit findings and decisions following staffing reviews
Managers/supervisors	• Make recruitment, selection and appointment decisions • Conduct the first step in a staffing review process by providing feedback to applicants
Employees	• Provide views on merit-based hiring and fair process by completing the BC Public Service annual Work Environment Survey • As applicants, may request staffing reviews of proposed hiring or promotion decisions

2009 Merit Performance Audit

Overview

The Merit Commissioner is responsible for monitoring the application of the merit principle under the *Public Service Act* by conducting random audits of appointments to and from within the public service. The audits assess whether the recruitment and selection processes were properly applied to result in appointments based on merit, and whether the individuals appointed possessed the required qualifications for the positions to which they were appointed.

The audit results are reported to the deputy ministers or other persons having overall responsibility for the ministries, boards, commissions, agencies or organizations in which the appointments subject to audit were made.

The Office has conducted an annual merit performance audit every year since 2001, with one exception. The large 2007 audit was not completed until September 2008 due in large part to appointment files that were incomplete, in disarray, or had been misplaced, and to the fact that those responsible for hiring decisions had moved to other positions. After consultation with the Audit Advisory Committee to the Merit Commissioner, a new audit approach was adopted for the 2009 audit. Rather than auditing and reporting at the end of a calendar year, a process of continual auditing and periodic reporting was adopted. The transition required foregoing the annual audit of 2008 appointments.

A primary benefit of the change to the audit process is more timely reporting. This Office provided detailed audit reports to organization heads in May and August 2009, and in February and May 2010. As these reports are used for learning and accountability purposes, this service improvement increased the value of the observations provided in the detailed audit reports, which is anticipated to result in

improved staffing practices. The Office received many positive comments related to this change in practice, confirming the wisdom of the new approach and the usefulness of the reports as learning tools.

A secondary benefit was immediately evident, in that organizations were able to provide better documentation in a timely manner and hiring managers were available to provide auditors with clarifying details or supplementary evidence.

Scope

Appointments within the scope of the merit performance audit are those made under the authority of section 8 of the *Public Service Act,* and are required to be the result of a process that assesses eligible applicants' knowledge, skills and abilities. Specifically, these are permanent appointments and temporary appointments that exceed seven months. Auditing these types of appointments, where a candidate's individual merit is assessed and ranked relative to that of other candidates (i.e., through a competition) reveals the most information about how the principle of merit is being applied. Direct appointments made under the authority of section 10(b) of the *Act* have also been included in the audit to ensure that organizations are appropriately seeking and receiving the approval of the Head of the BC Public Service Agency for such appointments.

The 2009 audit covered in-scope appointments that were made effective during the 2009 calendar year. The appointments audited include appointments to positions in a bargaining unit (BCGEU, Professional Employees Association or the Nurses' Bargaining Association) or to management excluded positions. Ministries and organizations that make appointments under sections 8 and 10 of the *Act* are subject to audit. A list of organizations subject to this oversight is included in Appendix A.

Appointment and Sample Details

The appointment population was provided to this Office by the BC Public Service Agency and consisted of appointment data drawn from the Corporate Human Resource Information and Payroll System (CHIPS).[1] Appointment data was requested by this Office periodically throughout the year, commencing in January 2009 and continuing every few weeks thereafter until the end of the calendar year. A total of 2,798 permanent appointments, temporary appointments exceeding seven months, and direct appointments were reported over 20 separate reporting periods.

The random selection of appointments was conducted by BC Stats subsequent to each reporting period. To ensure that the samples were representative of the actual population of appointments made across the public service, each population was stratified prior to the random selection process. Three categories were used to stratify the appointment data: size of ministry or organization; appointment type (permanent, temporary and direct appointments); and bargaining-unit and excluded appointment status. Due to the fine-grained detail offered by the sampling plan, BC Stats was able to obtain representative coverage across several non-stratified categories, including internal hires versus external hires.

Twenty samples were drawn throughout the year, for a total of 354 sample appointments. Subsequent to the requests for documentation, 52 appointments were determined to be outside the scope of the audit. Audits were conducted on 302 appointments; this represented an overall sample rate of approximately 12 per cent based on an adjusted population of 2,429 appointments.[2]

[1]Three organizations do not enter their appointment information in CHIPS. The Liquor Distribution Branch is included in the audit through a separate reporting of appointment information; the remaining two organizations are not included in the annual audit. These organizations are Forensic Psychiatric Services Commission and BC Mental Health Society.

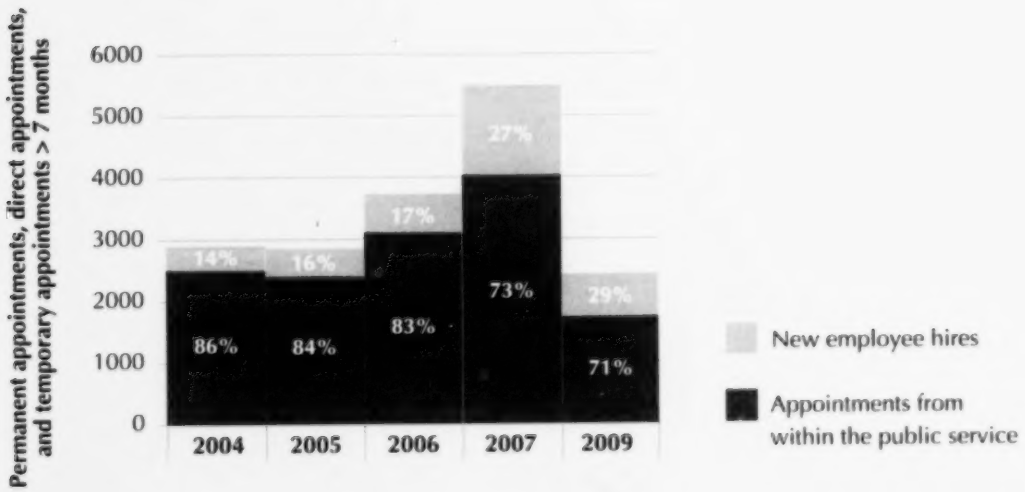
[2]A certain proportion of appointments originally put forward for audit were deemed out of scope, and this proportion was then estimated back into the original population. A full discussion is included in BC Stats' report "Random Selection for the 2009 Merit Performance Audit", included in Appendix B.

The actual number of appointments audited in 2009 was less than the 2007 audit due to decreased hiring activity; however, there was no decrease in the sampling rate. In fact, because of the reduced size of the audit population, this Office was able to increase the sample size, from 10 per cent in 2007 to 12 per cent in 2009.

BC Stats has verified that the sample was sufficiently large that the results can be generalized from the sample to apply to the larger population of these types of appointments. A detailed BC Stats report, describing the total appointment population for the 2009 audit and explaining the method used to make the audit selection, is included at the end of this report in Appendix B.

Chart 1 shows the year-to-year comparison of the number of appointments in the adjusted audit population, over the past five audit years. Appointments of new employees to the public service accounted for approximately 29 per cent of in-scope appointments in 2009.

Chart 1: Year-to-Year Comparison of Adjusted Annual Audit Population[a]



[a]An annual audit was not conducted in 2008 due to the transition to a new audit approach.

Audit Criteria & Process

The *Public Service Act* sets out this dual test for assessing merit:

- recruitment and selection processes were properly applied to result in appointments based on merit, and
- the individuals appointed possessed the required qualifications for the positions to which they were appointed.

The merit performance audits are based on the underlying premise that the manager of the position, who understands the needs of the business, is in the best position to decide what qualifications and competencies are critical for the position, and the most suitable tools and methods to assess them. Provided that the hiring process is reasonable and job-related, the audit is not designed to question the judgment made by managers with respect to these factors.

Using an established audit program, and based on documentation or other evidence provided by the organization, an auditor reviews the steps and decisions made throughout the recruitment and selection process to determine whether the merit principle was upheld. For example, the auditor confirms whether: the basic legislative, policy and collective agreement requirements relevant to merit-based hiring have been met; the factors of merit, as stated in the *Public Service Act,* have been considered (these factors include the consideration of education, skills, knowledge, experience, past work performance and years of continuous service in the public service); employees have been appointed through a fair process; and hiring decisions were communicated to employee applicants. (Full details of the program used by the auditors are available on the Merit Commissioner's website at www.meritcomm.bc.ca.)

Results

The 2009 audit found no evidence that any individual was not qualified for the position to which he or she was appointed, and no evidence that any appointment was based on patronage. In the audit of one competitive process, it was found that an internal

candidate appointed did not possess the qualifications that were advertised as required for the position. This particular audit is described in further detail in the following section entitled "Assessment".

Table 2 shows the overall results of the 2009 merit performance audit. The statistically valid sample means that these results can be extrapolated from the audited appointments to the larger population of the same appointments made during 2009. Table 2a shows the extrapolated results. The results show both the strengths and the vulnerabilities of merit-based hiring in 2009.

Table 2: Merit in the Recruitment and Selection Process 2009 Merit Performance Audit

Conclusion	Number of Appointments Audited	
Merit applied	222	(73.5%)
Merit with exception[a]	72	(23.8%)
Merit not applied	7	(2.3%)
Unable to determine	1	(0.3%)
Total appointments audited[b]	**302**	**(100.0%)[c]**

[a]Process was merit-based, but there were exceptions to hiring policy or collective agreement obligations.

[b]The audit sample consisted of 354 appointments, of which 52 were determined to be outside the scope of the audit, resulting in the audit of 302 appointments.

[c]Rounded

Table 2a: Extrapolated Results – Estimated Population[a] 2009 Merit Performance Audit

Conclusion	Number of Appointments Audited	
Merit applied	1756	(72.3%)
Merit with exception	599	(24.7%)
Merit not applied	64	(2.6%)
Unable to determine	10	(0.4%)
Total adjusted population	**2,429**	**(100.0%)**

[a]Weighted extrapolations were provided by BC Stats, as well as the margins of error, which are provided in Appendix B.

Of the 302 appointments audited, 73.5 per cent were found to be the result of a merit-based process with no exceptions. A further 23.8 per cent were also found to be based on merit, but issues were identified with either the conduct of the process or the application of policy or collective agreement obligations. Although the appointment decisions were not affected, the audits found substantial flaws, errors or omissions that have been brought to management's attention for improvement. These were categorized as "merit with exception".

The audit found that 2.3 per cent of the appointments were not the result of a merit-based process. In one case, an unreasonable assessment process in which candidates were treated inconsistently was brought to light. In four cases, there was an inaccurate assessment of candidates' years of continuous service, a factor of merit. In two cases, the audit found an unreasonable recruitment and selection process which compromised the integrity of the appointment process. These cases will be discussed further in this report. A determination of merit was unable to be made for one appointment as the file was unavailable for the audit.

Overall, the audit results point to areas of potential risk to merit-based staffing in the BC Public Service. In over 26 per cent of the appointments examined in the audit – and by extrapolation, in an estimated 27.7 per cent of appointments made in 2009 – managers did not follow basic hiring policy, collective agreement provisions, or statutory obligations that affect merit.

Of the 354 sample appointments identified for audit, 52 appointments were found to be out of scope, due primarily to CHIPS coding errors or issues in identifying the appointment type. The error rate is approximately 14 per cent of the appointments sampled, double the rate determined in the 2007 audit. This error rate has been brought to the attention of the Head of the BC Public Service Agency as it calls into question the reliability of CHIPS data, which is the source of many BC Public Service reports or studies. The Agency Head has confirmed that steps have been taken to standardize the business process and put in place quality control checks to address the issue of data quality.

Year-to-Year Comparison of Merit Performance

Table 3 and Chart 2 provide a comparison of the findings over past years, which indicates a consistent pattern of results in the "merit not applied" category. Further, while the percentage of audited appointments with a finding of "merit" has decreased with each audit year, there has been an increase in the number of appointments where there were issues with the process; these have been flagged in the "merit with exception" category. The rate of "merit with exception" findings has increased from 15 per cent in 2007 to 23.8 per cent in the 2009 audit.

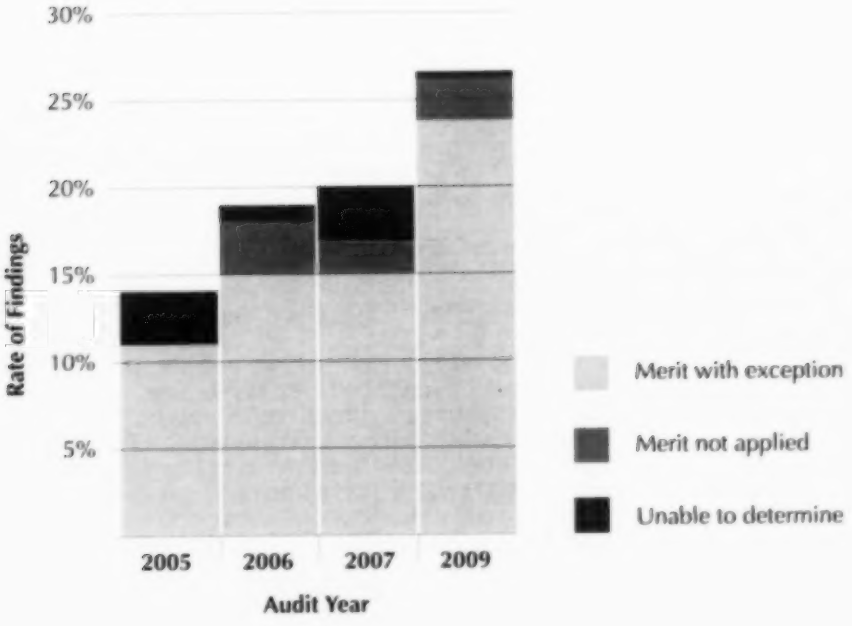
The overall rate at which issues and problems have been identified (i.e., combining the "merit with exception" and "merit not applied" categories) has increased from 17 per cent in the 2007 audit, to 26.1 per cent in the 2009 audit. These findings represent persistent problems that require corrective action by management.

Table 3: Year-to-Year Comparison of Merit Performance[a]

	2005	2006	2007	2009
Total appointments audited	**70**	**308**	**531**	**302**
Merit applied	60 (86%)	249 (81%)	423 (80%)	222 (73.5%)
Merit with exception[b]	8 (11%)	47 (15%)	81 (15%)	72 (23.8%)
Merit not applied	–	9 (3%)	12 (2%)	7 (2.3)%
Unable to determine	2 (3%)	3 (1%)	15 (3%)	1 (0.3%)

[a]An annual audit was not conducted in 2008 due to the transition to a new audit approach.
[b]The category "Merit with exception" was established in 2006, when the Office of the Merit Commissioner was established as an independent Officer of the Legislature. Appointments in this category resulted from a merit-based process, but there were exceptions to hiring policies or collective agreement obligations.

Chart 2: Year-to-Year Comparison of Findings Other than "Merit Applied"[a]



[a]An annual audit was not conducted in 2008 due to the transition to a new audit approach.

Analysis and Observations

Table 4 on the following page indicates the major issues identified through the audit, and provides some insight into the hiring practices of managers. The table shows the incidences of the two most significant issues: notification and assessment of years of continuous service through the qualified relatively equal (QRE) calculation (which is required for appointments to positions in the BCGEU), have increased significantly since 2007. While the issue of appropriate documentation has declined, it still remains one of the top three issues identified.

The following sections provide further details concerning the issues identified through the audit.

Table 4: Issues Identified 2009 Merit Performance Audit

Issue	Number of Appointments			2009 % of Audits (302)	2007 % Audits (531)
	Merit with Exception	Merit not Applied	TOTAL		
Appointment process	2	2	4 (4.6%)	1.3%	1.1%
Assessment	10	1	11 (12.8%)	3.6%	3.8%
Documentation	16	0	16 (18.6%)	5.3%	8.3%
Notification	25	0	25 (29%)	8.3%	3.4%
Past work performance[a]	6	0	6 (7%)	2.0%	–
Qualified relatively equal calculation (BCGEU)[b]	20	4	24 (28%)	11.7%	5.4%
Standards of conduct	–	–	–	–	0.2%
Total issues	**79[c]**	**7**	**86 (100%)[d]**		

[a]BC Public Service hiring policy requires managers to undertake an assessment of past work performance prior to offering the candidate a position. The policy was enhanced in 2008 to require an employment reference from a supervisor or equivalent. With this policy change, the audit program was amended in 2009 to look for documented evidence, as opposed to accepting verbal evidence, to confirm that this factor of merit was assessed as required by statute and policy.

[b]The qualified relatively equal (QRE) calculation is mandatory for BCGEU positions only. The percentage figure shown is based on the percentage of BCGEU appointments audited (i.e., in 2009, 205 BCGEU appointments were audited; and in 2007, 355 BCGEU appointments were audited).

[c]Of the 72 audits where merit was found to have applied, but the recruitment and selection process was flagged with exception, six audits identified more than one issue for a total of seven additional issues (i.e., 79 separate issues).

[d]Of the 79 audits where merit was found not to have applied or applied with exception in the recruitment and selection process, six audits identified more than one issue for a total of seven additional issues (i.e., 86 separate issues).

Appointment Process

Section 8(1) of the *Public Service Act* requires appointments to and from within the public service to be based on the principle of merit, and be the result of a process designed to appraise the knowledge, skills and abilities of eligible applicants. The audit determines whether an appointment is the result of a legitimate authority under the *Act*. There are exceptions to the general statutory requirement for a process where individual and relative merit are assessed.

One exception is a direct appointment, which can be used where there are unusual and exceptional circumstances which suggest that one particular person should be selected without public notice or competition. After assessing the individual's merit to do the job, an organization can outline the unusual or exceptional circumstances to the Head of the BC Public Service Agency, who has the sole authority to approve a direct appointment under section 10(b)(iii) of the *Public Service Act*.

The audit determines whether the recruitment process used a reasonable and transparent approach to attract an appropriate applicant pool with the necessary skill set, given the requirements of the position, the organization and the public service; and whether applicants were assessed for merit relative to each other, resulting in the appointment of the best qualified applicants.

Results

The 2009 audit found that merit did not apply in the appointment process in two of the audited appointments, as the requirement of an open and reasonable merit-based process required by section 8(1)(b) of the *Act* was not met. It should be noted that the audit found that the employees appointed were qualified for the jobs to which they were appointed.

In one of these cases, the organization directly promoted an employee without notice or competition. The organization's rationale for the appointment focused on government reorganization and the requirement to permanently place the employee. At the time of the appointment, and within the context of workforce adjustment across the BC Public Service, deputy ministers were encouraged to draw from existing labour pools within government (i.e., to facilitate lateral transfers[3] within and between their organizations). The audit found, however, that although the employee was acting in the position, the permanent appointment to the same position was a promotion, not a lateral transfer. The appointment was not the result of a legitimate appointment authority.

In the second case, the opportunity for two positions was restricted to the branch level, where the only eligible applicants were the two employees who were acting in the positions. The over-seven-month temporary appointments that resulted in the acting assignments were made without competition. The audit determined that the rationale for restricting the opportunity to the organizational unit was that the branch was undergoing reorganization. This was a reasonable restriction in the circumstances; however, there must still be a reasonable applicant pool to draw from. By restricting the opportunity to the branch level, the pool of applicants was so small that the successful candidates were a foregone conclusion. This was not a genuine competition. If there were operational requirements that precluded a wider posting, the evidence as presented suggests that this might have been an appropriate situation to seek the approval of the Head of the BC Public Service Agency for a direct appointment authority. When presented with the preliminary finding, the organization concurred and indicated that the audit raised valid points of which they had previously been unaware.

The audit also noted cases of some less-than-transparent job opportunity ads. Two processes in particular were flagged "merit with exception", as a fair, open and transparent process was compromised.

[3]A lateral transfer is defined as "the movement of an employee from one position to another which does not constitute a demotion or a promotion" and is exempt from the application of merit.

In one of these cases, the posting advertised the position as a one-year temporary opportunity. The individual was appointed as an auxiliary and approximately four months later, when the ministry received exclusion approval for the position, the individual was appointed to the position on a permanent basis. It was known at the time of initial posting that a permanent appointment would be made if and when the position's exclusion status was approved. Accounting for probable future uses of the competition results at the time of posting would have added transparency to the process and also avoided undermining confidence in the merit of the employee's subsequent permanent appointment to the position. Other applicants may have applied had they known the position was to become permanent. (Of the 29 applications received, only four candidates met the qualifying criteria.)

In the second of these flagged cases, an employee was permanently appointed on the basis of the recruitment process used to temporarily appoint the employee to the same position six months earlier. The audit examined the recruitment and selection process related to the temporary appointment. The organization did not post or advertise the temporary opportunity. A limited network was used to attract applicants, whereby the panel invited three specific individuals to express their interest. Although this may be sufficient for a short-term temporary appointment, if the process is to be the basis for a permanent appointment, the requirement for public notice and open competition would provide others the opportunity to apply.

Process Details

For most of 2009, corporate policy required all job opportunities to be open to both current public servants and outside applicants. In October 2009, a managed staffing strategy was announced by the Head of the BC Public Service which required most positions to be posted only internally to the BC Public Service.

The audit noted that 18 per cent of the competitions audited were open to employee candidates only. Of these, 87 per cent were restricted to specific organizational units,

geographical locations, or groups of employees. Eligibility lists were established in 39 per cent of the competitions audited, indicating that other candidates had been assessed as eligible to be appointed to similar positions within a specific period of time. In 45 per cent of the competitions held, only one appointment was made and no eligibility list was established.

The audit noted four appointments made from a pilot project which used a corporate approach to hiring, one of the benefits of which was to keep well-qualified candidates under consideration for positions across the public service, rather than running competitions to fill just one position in one ministry. The Candidate Referral Service was a staffing service offered by the BC Public Service Agency during 2009, giving hiring managers quick access to candidates who were pre-qualified for specific administrative or financial officer positions in the Victoria area. There are efficiencies through the use of such a service: candidates are provided with a one-window application process; hiring managers are relieved of the administrative burden (e.g., the Agency advertises the jobs and undertakes the initial candidate assessment through screening and standardized testing); and hiring decisions should be quicker overall. After being provided with typically three referral candidates who best matched the type of job and skills required, managers were required to conduct a final assessment of candidates against the specific job requirements, including their past work performance, before making a hiring decision based on relative merit.

In 2009, the Candidate Referral Service was an optional service for managers. Of 17 appointments to administrative positions in Victoria that were audited, 24 per cent were made through the use of this service, and 76 per cent were the result of specific competitions posted by the hiring manager.

Of the appointments audited, 96 per cent were the result of a competition. Of these, 84 per cent were appointed following the conclusion of the competition and the remainder were appointed later, primarily as a result of the candidate's placement on an eligibility list.

Four of the appointments audited were direct appointments authorized by the Head of the BC Public Service Agency.

Assessment

Audits are conducted on the premise that managers are responsible for determining the critical qualifications required for a job and for choosing the most appropriate tools and methods to assess candidates against these qualifications. Provided the assessment process is reasonable and job-related, the audit determines whether the appointment was the result of a fair and reasonable merit-based staffing process (i.e., applicants were assessed consistently relative to the advertised selection criteria and all the factors of merit[4] were considered). The assessment of candidates must be transparent, reasonable, objective and job-related.

This year, as in previous years, managers used a variety of methods to assess candidates. The majority of managers (65 per cent) used multiple assessment methods to make their selection decisions, using tools such as applicant questionnaires, written exams, written assignments (e.g., essays, case studies, letters or briefing notes), and/or oral presentations, in addition to interviews. The remainder used only an interview to assess candidates, with 46 per cent of these interviews relying solely on the assessment of behavioural competencies. It is generally accepted that multiple assessment methods add credibility and validity to the appointment process.

Competitions are to be designed to result in the selection of the best qualified candidates for appointments. The audit found that eight per cent of the offers made to top-ranked candidates were declined; the majority of these candidates were from outside the BC Public Service.

[4]These factors of merit are stated in the *Public Service Act* and include the applicant's education, skills, knowledge, experience, past work performance and years of continuous service in the public service.

Short-listing

Inconsistencies in the treatment of applicants through short-listing compromises the basic elements of a merit-based process: fairness, objectivity, consistency and relevance. The audit found one appointment which was not the result of a fair and transparent merit-based recruitment and selection process. In this competition, the panel lowered the education criteria that had been posted so that an internal candidate was short-listed, without applying the same standards to other candidates. The organization did not provide satisfactory evidence that all candidates were fairly considered against the same qualifying criteria, and this compromised due process. An inconsistent short-listing process that favors an internal candidate is an indicator that a merit-based process has not been followed.

Public perception of the hiring of someone without the posted credentials is that the individual appointed is not qualified or that, as an internal-to-the-unit candidate, the individual received preferential treatment. An accurate description of the required qualifications and consistent application of the qualifications is critical to a transparent and merit-based process. This not only ensures that potential applicants are able to determine whether or not they would be suitable for an appointment, but also that the individual hired through a merit-based process is qualified and able to do the job.

Two appointments audited were flagged "merit with exception" due to inconsistencies in the short-listing process. In one case, a non-job-related criterion was applied to short-list a known candidate, which advantaged that candidate and disadvantaged others. As the candidate in question was ultimately not successful for appointment, nor placed on an eligibility list, the process was flagged "merit with exception" rather than "merit not applied". In the other case, an applicant was noted as having met the "education/ experience" criteria, but was not short-listed due to being "out of province" and the BC equivalency could not be confirmed. On the other hand, the successful candidate, who had been acting in the position, did not possess the required educational criteria and was short-listed based primarily on her work experience. The inconsistencies in the screening process resulted in this process being flagged "merit with exception".

Behavioural Event Interviews

In one audit, the scoring methodology used to evaluate candidates' competencies through Behavioural Event Interviewing (BEI) did not meet the test of a consistent, reasonable or objective process, and demonstrated the panel's inexperience with this assessment method. As the audit concluded that the outcome was not impacted, the process was flagged "merit with exception" to highlight the need for ensuring panel members are adequately trained in the use of BEI.

Objective Assessment

One audit involved a competition with a posted requirement for "directly related" experience and training. The panel effectively invoked an unstated preference for employee candidates by immediately eliminating the external (out-of-service) applicants. Screening in this manner was found to demonstrate a less than objective and impartial assessment of applicants; the process was flagged "merit with exception".

Two appointments audited, also flagged "merit with exception", were from a process involving the selection of candidates from a ministry's pre-qualified applicant pool. Candidates were asked to provide a listing of their "asset qualifications" and were subsequently selected for positions based only on this claim. The auditor was concerned these claimed qualifications were only verified or assessed by the manager if they appeared unreasonable; otherwise they were accepted as presented. Given the potential to misrepresent themselves, this is not considered a fair and objective basis for assessment. A more objective process would require that candidates are provided the opportunity to address pre-determined "asset qualifications" and are assessed accordingly.

As with the 2007 audit, the auditors continued to report concerns regarding an assessment practice being used by some managers which is not considered to be objective. On the basis of a review of paper resumes alone, applicants' education and experience qualifications were assessed; as well, the resumes were used to determine whether they possessed the required knowledge, skills or abilities. Applicants were

short-listed based on these decisions. Given that this practice also has the potential for applicants to misrepresent their qualifications, it is not considered objective and has the potential to compromise the integrity of the assessment process. The preferred practice is to short-list on education and experience and allow short-listed candidates to demonstrate their competence through further assessment (such as written tests and interviews) relative to other candidates. When auditors encountered this practice, they checked to confirm that no candidate was appointed solely on the basis of a paper assessment and candidates were not disadvantaged.

Rating Methodologies

The audits examined scoring methodologies and many were noted as problematic. One competition audited involved a rating method that did not involve point scores (a requirement for positions covered by the BCGEU collective agreement, where the "qualified relatively equal" (QRE) calculation is used to assess employee candidates' years of continuous service). Without point scores, a calculation cannot be done; however, as no employee candidates were deemed qualified, no calculation was required in this instance. The audit noted this issue for learning purposes.

In another competition, rather than scoring each candidate's responses, the panel rank-ordered the six candidates from one to six for each of the four competencies assessed and then a final rank order was determined. In other words, candidates were evaluated against each other rather than against specific criteria and standards. Although there is no concern that the best qualified candidate was appointed, this scoring methodology does not provide evidence or confirm whether any one candidate was successful in meeting or exceeding the target level established for each competency. This scoring methodology would also not allow the ministry to return to the competition results to make a further future appointment. The audit noted this issue for learning purposes.

Process Flaws

In one appointment audited, the initial assessment process did not include an assessment of an applicant's years of service, which was brought to light during a feedback session with the individual. The panel returned to the competition results, assessed years of continuous service and then conducted reference checks. In the initial process, past work performance of the successful candidate was simply indicated as a "pass"; subsequently, however, this factor was point-scored. (There was no documented evidence as to how the subject candidate's years of service were actually calculated, however, the audit confirmed that the candidate's total score was not "relatively equal" to the successful candidate's.) The reconsidered process did not change the original appointment decision and although all the factors of merit were assessed, the absence of an appropriate process to verify qualified employee applicants' service affected the integrity of the process. This case was flagged "merit with exception".

Administrative Errors

As in previous years, the auditors found numerous calculation errors in scoring. In one case, the marking error resulted in a candidate being placed on the eligibility list ahead of another candidate and receiving an offer out of order. The impact was minimal, however, as the disadvantaged candidate received an offer one week later. As the error affected candidates' final rank order, but not the end result, this case was flagged "merit with exception".

Since candidates' scores determine their placement relative to other candidates in a competition, managers must ensure that scores are calculated correctly as even a minor error could compromise the integrity of the assessment process.

Documentation

BC Public Service hiring policy requires hiring managers to document their hiring activities. The case for documentation is one of accountability. A poorly documented appointment decision does not respect the BC Public Service's fundamental value of accountability and does not demonstrate a merit-based appointment. Staffing decisions are business commitments and must be documented just as thoroughly as a financial contract.

The steps taken and decisions made by the hiring manager throughout the recruitment and selection process must be shown to uphold the merit principle and be consistent with the elements of transparency, consistency, relevance, fairness and reasonableness. Employees who request feedback (or higher-level review) on their performance in a competitive process expect managers to be able to account for the decisions that have been taken. Documenting the process steps and appointment decisions assists managers as they provide feedback; an absence of supporting evidence for applicants' own results may impact their perception of the application of merit in the hiring process. The documentation is also required by organization heads for internal inquiries and by the Merit Commissioner for staffing reviews and audits. Sometimes eligibility lists are used by other managers, and a well-documented account of the hiring decision will add confidence that the competition results were merit-based.

Problems with adequate supporting documentation have been noted by this Office in previous audits. In November 2008, it was recommended that deputy ministers and equivalents emphasize that hiring managers will be held accountable for adequate documentation as fundamental to merit-based appointments. The BC Public Service Agency responded to the recommendation by indicating that the emphasis on documentation was being built into their learning programs; that a documentation checklist was available on their website and that the use of it would be reinforced by human resources staff within both the BC Public Service Agency and the organizations; and that they would evaluate communication strategies concerning the need for complete and proper documentation.

Overall, the 2009 audit indicates a positive trend toward better documentation. The state of the documentation initially submitted to this Office for audit was noted by the auditors as being "excellent" in 50 per cent of the files, requiring minimal, if any, follow-up with managers, compared to 33 per cent in 2007. Although better documentation was anticipated given the more timely nature of the 2009 audit, this improvement is encouraging. Notwithstanding the short time frame between the appointment decision

and the audit of that appointment, the audit still found a number of cases where documentation was found to be lacking, requiring auditors to go to considerable effort to track down the evidence that one would normally expect to readily find on file. In some cases, auditors found it necessary to accept verbal evidence as a rationale for appointment decisions.

The 2009 audit found that adequate documentation was lacking in five per cent (16 cases) of the appointments audited compared to eight per cent in the 2007 audit. In the 16 cases with documentation issues, the auditor was able to obtain enough information to infer a meritorious process. These cases were flagged "merit with exception". Seven of these appointments involved a number of documentation gaps throughout the process; eight appointments lacked documentation to support the short-listing decisions (i.e., how and on what basis candidates were screened in or out); and one appointment lacked documentation to account for a critical decision to fail one candidate and pass another (in this case, the auditor accepted verbal evidence).

Three of the above cases involved candidate referrals from the corporate pre-qualified pool for administrative positions and financial officer positions. Managers did not sufficiently document how the successful candidate best met the specific job requirements.

A determination of merit could not be made in one appointment audited due to the unavailability of the file for audit purposes. As the file was unavailable for legitimate reasons, the audit results were reported as "unable to determine".

Recommendation with respect to Documentation

Complete and easy-to-access information is key to ensuring transparency and accountability in the staffing process. As the Hiring Centre moves forward with the use of on-line tools, including a recruitment management system, it will be important to be clear as to who is responsible for creating and maintaining supporting documentation and the

type of documentation needed to constitute a complete file. This Office welcomes the opportunity to provide specific input on this subject as the work progresses.

Notification

The absence of notification to unsuccessful employee applicants is an exception to a merit-based process. Managers are required to notify employees who have applied for jobs about the outcome of the hiring process. Accounting for the outcome is part of the required transparency when conducting public business. The failure to do so undermines confidence in the merit of the appointment and adds to the perception that managers are not accountable for their hiring decisions.

The notification process also serves another purpose. The *Act* gives all employee applicants the right to challenge the merit of an appointment through a staffing review process. Employees have the right to request and receive feedback from the hiring manager. If they consider that the appointment decision is not merit-based, they have a right to request an internal inquiry by the organization head and, for positions in the bargaining unit, a further right to an independent review of the appointment decision by the Merit Commissioner. The first step of the process (i.e., feedback) can only be initiated within a prescribed time after the employee applicant receives notification that they were unsuccessful. The absence of this final notification obstructs their opportunity to exercise their statutory rights in this regard.

The requirement to notify employee applicants extends beyond the requirements of the statute, regulations, policy or collective agreements; it is good management practice. In failing to notify, managers are missing the opportunity to provide employees with feedback, as well as the opportunity to demonstrate leadership and show that they are responsible and accountable for their management decisions. These elements of leadership are key factors in employee commitment and engagement. Failing to demonstrate leadership in these matters may damage the reputation of the BC Public Service as an employer. Failing to support employees in career planning and working

towards their aspirations is inconsistent with the BC Public Service human resources goal of building internal capacity through employee learning and career development.

The 2009 audit found there was an absence of final notification to some or all of the unsuccessful employee applicants in over eight per cent of the processes audited. The appointments were found to be based on merit, but the processes were flagged "merit with exception" for this reason. This was the most frequently found process error and indicates a deteriorating trend since the 2007 audit.

In most cases where final notification was absent, the organizations had adopted the good practice of notifying applicants of their status during the course of the competition. However, this interim notification does not fulfill the requirement of notifying employee applicants of the final appointment decision. In two cases, the oversight was discovered during the course of the audit, at which time the notifications were sent. Although the employee applicants were eventually notified, disclosing the competition results at the time of the appointment decision would have appropriately aligned the review period with the proposed appointment and added transparency to the process.

The auditors noted that in over a quarter of the files where some or all employee applicants received final notification, the results could have been more fully disclosed. For example, there was an absence of details concerning the appointment decision such as the name and classification of the employee proposed for appointment (a BCGEU collective agreement requirement); the establishment of an eligibility list; the number of offers extended; and/or a candidate's own placement order on an eligibility list. Being less than transparent in communicating the results can lead employees to question the integrity of the staffing process or the integrity of the managers involved, and contribute to a level of distrust in the system. Full disclosure of competition results is a simple way to help reinforce confidence in the merit of staffing actions and engender trust in the integrity of the hiring system.

The audit also noted evidence of good notification practice such as notifying applicants of their status throughout the selection process and, in one competition, tailoring the letters specific to the applicants' qualifications.

Following the 2007 annual audit, this Office made a recommendation that deputy ministers and their equivalents hold managers accountable for communicating the outcome of competitions and offering feedback to employee applicants. The BC Public Service Agency had indicated that they expected to achieve this through the training of supervisors and managers and by revising training materials and hiring processes.

This Office accepts that it may take some time to implement strategies for improvement; however the deteriorating trend indicates that efforts to address the issue have not been effective. The percentage of appointments audited where employees applicants were not provided with final notification, has more than doubled from the 2007 audit, from 3.4 per cent in 2007 to 8.3 per cent in 2009. It is recognized that the new centralized hiring approach may address this significant issue, at least in part.

Recommendation with respect to Notification

Given that the absence of notification to unsuccessful employee applicants is the most frequently found process error, some corporate direction is needed on when, and to whom, notification is to be given. With the introduction of pools or collective staffing processes, it will be important not to lose sight of the notification issue and to ensure an approach that respects the legislation (i.e., that applicants have access to their right of review). Ensuring appropriate guidelines are in place may help ensure employees in the BC Public Service view pooled staffing processes as fair, transparent and merit-based. This Office welcomes the opportunity to provide specific input on this issue at an appropriate time in the policy development.

Past Work Performance

Under the *Public Service Act,* one of the six factors that must be considered when determining merit is the individual's past work performance. BC Public Service hiring policy requires that a specific assessment of past work performance be conducted as part of the assessment process. The policy was enhanced in 2008 to require an employment reference from a supervisor or equivalent. With this policy change, auditors look for documented evidence to confirm that this factor of merit was considered, as required by statute and policy. The documentation also adds transparency and credibility to the overall process and provides additional evidence that the employee meets the knowledge, skills, abilities and competencies required for the position.

The audit found, overall, an absence of documented past work performance in more than 10 per cent of the appointments audited; eight per cent involved the appointment of an employee, and two per cent involved new hires into the BC Public Service. In all of these cases, the auditors accepted verbal evidence that employment references were done.

Undertaking and accounting for this assessment is critical for all appointments but especially so for new hires into the BC Public Service. The audit found issue with the assessment of past work performance in six appointments audited (two per cent of the appointments) which involved external (out-of-service) candidates. These appointments were found to be merit-based, but to highlight this area of risk, the processes were flagged "merit with exception".

In one of these flagged cases, an external applicant who had met the mandatory qualifying requirements was disqualified from further assessment based on a panel member's previous experience working with the applicant. The panel member was not a former supervisor of the applicant; the panel's rationale to disqualify the candidate was not documented to file; and additional reference checks were not sought. The decision to disqualify should have been accounted for, specifically to confirm how the candidate did not meet the qualifications required for the position and why a supervisor's reference was not sought.

In another of these flagged cases, the hiring manager had found it difficult to obtain an employment reference from the current or former supervisor of an out-of-province applicant. The panel obtained a client reference, whose working relationship with the candidate consisted of a two-month period that took place two years earlier. There were few notes to document the decision to disqualify the candidate as a result of this reference. In situations such as this, the panel must consider which sources would be the most valid and useful for obtaining the facts and examples required to assess past work performance. A critical consideration is that the assessment be impartial and objective (i.e., applicants are assessed against the same criteria; evidence of past work is being sought, not opinions; more than one reference is obtained to validate the decision; and the decision to eliminate a candidate is based on job-related knowledge, skills, abilities and competencies).

In the remaining four cases involving the hire of an external candidate, the hiring manager simply failed to document that employment references were done, and the results of these assessments.

In those cases involving employee candidates, the auditors noted that the supervisor was also a member of the selection panel, and a number of these employees were currently acting in the position to which they were being permanently appointed. The hiring managers were made aware, through the audit reports, of their oversight in documenting their own employee's work performance as part of the assessment process.

In approximately 12 per cent of the files audited, the scoring methodology included a point-rated assessment of past work performance. In many of these cases the panel allowed referees to provide the point-ratings without providing marking guidelines. This Office considers that allowing a referee to rate the candidate does not provide for an objective, consistent or reasonable assessment. Good practice would see the reference-taker documenting the discussions and returning the facts to the assessment team for review and rating against pre-determined criteria. In some cases, the auditors noted a

candidate's score may have been based on one referee's score whereas other candidates' scores were based on an average of multiple referees' scores. In some cases, auditors noted questions were scored as "zero" because the referee was not able to provide a response to the question. This methodology, although unintentional, drove a candidate's final point score up, or down. The auditors noted these unsound practices; they also confirmed that they did not impact the final appointment decisions.

Years of Continuous Service

Under the *Public Service Act,* one of the six factors that must be considered when determining merit is an employee applicant's years of continuous service with the BC Public Service. Through the collective agreement with the BCGEU, the "qualified relatively equal" (QRE) calculation is the agreed method of assessing candidates' years of continuous service for positions in the BCGEU. If, at the end of the assessment process the highest-rated qualified applicant does not have the most years of continuous service (in the BC Public Service), a specific formula is applied to determine whether other qualified employee candidates are "relatively equal" to this applicant. The qualified applicant who is "relatively equal" with the most years of continuous service will then be appointed.

In 2009, 68 per cent of the appointments audited were to positions included in the BCGEU, thus requiring a QRE calculation. Flaws or errors in the calculation can impact whether a candidate is appointed, or affect their placement order on an eligibility list for future hiring. The audit found that in 11.7 per cent of these cases, the QRE calculation was either not done, or done incorrectly.

In four cases (17 per cent of the cases where QRE was either not done or done incorrectly), the errors resulted in incorrect appointments. The audit found, therefore, that these appointments were not merit-based. Two of the four cases were from the same organization, where the hiring managers had relied on erroneous advice provided by their human resources consultant at the BC Public Service Agency.

In 20 cases (83 per cent of the cases where QRE was either not done or done incorrectly), the audit found that the resulting appointment(s) were not impacted as a result. These appointments were therefore found to be merit-based, but the processes were flagged "merit with exception". Managers either didn't know of their obligation to assess years of continuous service under the collective agreement, made incorrect calculations, or misinterpreted how the calculation was to be applied. For example, there were cases where an applicant's service as an auxiliary was not counted; or a partial year of service was counted as a full year of service; or points were added rather than applying QRE; or a manager thought QRE applied only in the event of a tie in scores; or a manager thought there was no requirement for QRE because an out-of-service applicant was hired.

In some cases, errors in applying QRE resulted in an incorrect placement of applicants on the eligibility list. By providing organizations with their audit results in a timely manner, managers were able to rectify any inconsistencies and ensure future appointments from the eligibility list would be merit-based.

The auditors noted many other instances where there was no documented evidence that employees' years of continuous service were considered, and it appeared that applicants were ranked and made an offer in order of their point scores. In these cases, the auditors were able to reasonably conclude that this factor of merit was considered but was not documented (i.e., as it was evident, without specifically calculating it, that the successful candidate was sufficiently ahead of other qualified employee candidates; or, the hiring manager confirmed, based on knowledge of the employee candidates' service time, that a calculation would not be required). Documenting that this factor of merit was considered, however, would have added transparency and credibility to the process. The assessment of years of continuous service for BCGEU positions has been a recurring issue identified in previous audits, and the 2009 audit results confirm that this is a rapidly declining trend. Following the 2007 annual audit, this Office made a recommendation that deputy ministers take action to ensure that the employer's

commitment through the BCGEU collective agreement to assess years of continuous service using the QRE calculation is fulfilled. It was further recommended that tools be made available to assist managers, such as an online automatic calculator. The BC Public Service Agency responded to this recommendation by developing an electronic calculator and making it available on @Your Service, an employee intranet site. Based on the first quarter results of the 2009 merit performance audit which were reported in the Office of the Merit Commissioner's 2008/2009 Annual Report, it was evident that the situation was not improving. Suggestions were provided to the BC Public Service Agency that the tool should be supported with contextual information, such as why, when and how to apply the QRE calculation.

The 2009 audit results confirm that there are managers who remain unaware of the requirement to assess years of continuous service for BCGEU positions or how this is to be done. The percentage of appointments audited where QRE was either not done, or done incorrectly, has more than doubled from the 2007 audit, from 5.4 per cent of BCGEU appointments audited in 2007 to 11.7 per cent in 2009.

It is clear that some managers are not trained or supported adequately in carrying out their responsibilities related to merit-based staffing. Having a stand-alone tool available to assist with the calculation of QRE is not sufficient if managers are unaware of the requirement to perform the calculation in the first place. If appropriate tools, training and resources are not available to human resources consultants and hiring managers to assist them in the assessment of this factor of merit, results related to this aspect of merit-based staffing are unlikely to improve.

Recommendation with respect to Assessment of Years of Continuous Service

The audit revealed that some human resource consultants, as well as some managers, have difficulty with the assessment of years of continuous service through the application of the "qualified relatively equal" calculation. Therefore, it is recommended that further training take place. Given the nature of this calculation, it is expected that improvement in this area will be significant, with the centralization of staffing services.

Summary of Recommendations

The 2009 audit results and the Merit Commissioner's recommendations were provided to the BC Public Service Agency in June 2010. In presenting the audit results, the Merit Commissioner acknowledged the significant transformation the Agency is undertaking in the way it provides human resources services to the BC Public Service. This fundamental shift includes the consolidation of hiring services into the new Hiring Centre and the launch of a fully automated recruitment system. The Head of the Agency was receptive to these recommendations and acknowledged the systemic issues which gave rise to the audit findings. Further, the Agency Head outlined commitments intended to facilitate improvements.

Following is a summary of recommendations flowing from the 2009 merit performance audit and the BC Public Service Agency's specific response to each recommendation.

Recommendation with respect to Documentation

Complete and easy-to-access information is key to ensuring transparency and accountability in the staffing process. As the Hiring Centre moves forward with the use of on-line tools, including a recruitment management system, it is recommended that the BC Public Service Agency be clear as to who is responsible for creating and maintaining supporting documentation and the type of documentation needed to constitute a complete file. This Office welcomes the opportunity to provide specific input on this subject as the work progresses.

BC Public Service Agency Response:

"The Hiring Centre is... taking responsibility for maintaining competition documentation with the launch of the recruitment system and will provide your office a sample competition file checklist in the coming weeks. This checklist will be used to close files at the end of each recruitment action to ensure the file documentation is complete."

Recommendation with respect to Notification

Given that the absence of notification to unsuccessful employee applicants is the most frequently found process error; it is recommended that the BC Public Service Agency provide corporate direction on when, and to whom, notification is to be given. With the introduction of pools or collective staffing processes, it will be important not to lose sight of the notification issue and to ensure an approach that respects the legislation (i.e., that applicants have access to their right of review). Ensuring appropriate guidelines are in place may help ensure employees in the BC Public Service view pooled staffing processes as fair, transparent and merit-based. This Office welcomes the opportunity to provide specific input on this issue at an appropriate time in the policy development.

BC Public Service Agency Response:

"All notification letters to applicants are maintained within the recruitment system, providing for consistent use of standardized letters. Applicants will be notified at different stages of the hiring process, including subsequent qualification screenings of applicants within pools with the appropriate information."

Recommendation with respect to Assessment of Years of Continuous Service

The audit revealed that some human resource consultants, as well as some managers, have difficulty with the assessment of years of continuous service through the application of the "qualified relatively equal" calculation. It is recommended that the BC Public Service Agency undertake further training. Given the nature of this calculation, it is expected that improvement in this area will be significant, with the centralization of staffing services.

BC Public Service Agency Response:

"The calculation of relatively equal has now been centralized in the Hiring Centre and will be managed by a small number of individuals who will be trained to do this. Calibration audits of qualified relatively equal calculations will be performed regularly and employees with the responsibility for calculation of relatively equal will have performance measures in their Employee Performance and Development Plans (EPDP) to ensure a continued focus on improvements in this area."

Special Audit: Short-Term Temporary Appointments

Overview

Since its establishment in 2001, the Office of the Merit Commissioner has been systematically auditing various appointments under Section 8 of the *Public Service Act* to obtain a baseline of merit-based performance in the BC Public Service. A special audit was initiated to focus on temporary appointments of employees, for a term of seven months or less (T<7). The *Act* distinguishes short-term temporary appointments from those that are longer term, in that temporary appointments of less than seven months do not require a competitive process to assess an individual's merit relative to other applicants.

Objectives

This special audit was designed to learn more about the circumstances under which short-term temporary appointments of regular employees occur, how the appointments are made, whether the appointments are based on the principle of merit, and whether there is any correlation between short-term temporary appointments and subsequent permanent appointments to the same position.

Background

A temporary appointment for a term of seven months or less (T<7) is one of five appointment options subject to the Merit Commissioner's oversight jurisdiction. It is a staffing option that may be used when it is anticipated that this appointment term will be sufficient to provide an employee with a short-term assignment. This may include project work or acting in an ongoing position which may be vacant for a variety of reasons such as illness, vacation, or while the permanent vacancy is being staffed. This type of appointment could be considered to be an efficient staffing option, as appointments must be based on merit but there is no requirement for a competitive process.

Almost one quarter of the appointments made in 2008 were T<7s. These appointments did not fall within the scope of the annual audits which have focused on the appointments forming the core workforce of the BC Public Service. Therefore, this special audit provided the first opportunity to gain insight into hiring practices for short-term temporary appointments.

Scope

Ministries and organizations making T<7s under section 8 of the *Act* were subject to audit. As the appointment data was obtained from the Corporate Human Resources Information and Payroll System (CHIPS), three organizations which do not enter their appointment information in CHIPS (Liquor Distribution Branch, Forensic Psychiatric Services Commission and BC Mental Health Society) were excluded from the audit.

The audit selected and analyzed temporary appointments (TAs) of regular employees to promotional opportunities[5] where the initial appointment term was coded in CHIPS as T<7 and where the temporary appointment was active at any point during the 2008 calendar year. This included T<7s that had started prior to 2008 and continued or were extended into 2008 or beyond. To achieve the audit objectives, this audit focused only on those appointments that had concluded by June 2, 2009.

Audit Methodology

The audit was completed in two stages.

Stage one commenced in the 2008/2009 fiscal year and consisted of gathering information, identifying the overall population of T<7s from raw CHIPS data and filtering the data for further analysis and verification. These findings were reported in the Merit Commissioner's 2008/2009 Annual Report. The analysis found that 3,769 promotional T<7s were active at some point in the 2008 calendar year. From these, the population of interest was filtered to 3,068 temporary appointments which had concluded by June 2, 2009. Of these,

[5]A promotion is defined by the BC Public Service Agency as an appointment to a position with a higher maximum salary rate than the maximum salary rate of the employee's base position.

2,433 appointments (79 per cent) were identified as having concluded within seven months; 382 (13 per cent) concluded between seven and 12 months; and the remaining 253 appointments (8 per cent) had exceeded 12 months. (Following the reporting of these results, a further analysis of the raw data identified additional CHIPS coding inconsistencies, effectively increasing the number of T<7s that had exceeded one year from 253 to 267.[6])

Stage two of the audit focused on the population of 267 appointments that had been initiated as T<7 but had continued for longer than one year including any extensions or renewals. The audit was conducted by way of an electronic questionnaire which was sent to the hiring manager (or an appropriate designate) as identified by the ministry or organization. In addition to completing the questionnaire, the manager was required to provide some documented evidence of the initial appointment details, such as an offer letter or temporary appointment agreement.

Based on additional information received from ministries, a further 39 of the 267 appointments were determined to be outside the scope of the audit due to various coding and data entry errors in CHIPS, or incorrect reporting of the appointment status. Consequently, a total of 228 appointments were ultimately subject to the audit questionnaire.

Response Rate and Documentation

Completed questionnaires were received for 220 of the 228 T<7s audited, which formed the basis for findings.

In addition to completing the audit questionnaire, managers were required to submit basic documentation such as an offer letter or a temporary appointment agreement, to confirm the details of the temporary appointment. This evidence was received for only

[6]Following the reporting of 253 T<7s that had exceeded one year, a further 20 appointments were added (i.e., although the T<7s were not coded in CHIPS as having concluded, subsequent CHIPS records indicated the employees were permanently appointed to the same position, effectively concluding their T<7s). Also, six records were removed from the audit group of interest as they were subsequently found to be out of scope (due to various CHIPS coding issues such as corrections or duplicate entries).

180 (82 per cent) of appointments audited. When appointments where no response was received are also factored in, 21 per cent of the audited appointments could not be supported through documentation.

Findings

Circumstances Resulting in Temporary Appointments and Extensions

Half of all managers reported that the T<7 was established as a short- or long-term backfill of a regular position while the base incumbent was temporarily absent. Almost the same number of these TAs were later extended, when the base incumbent's absence continued longer than initially anticipated.

Approximately one quarter of the T<7s audited were reported as being short-term assignments in a regular position with no base incumbent. The majority of these TAs were extended because the regular position was not yet posted. In other cases, they were extended because the job description or classification was being reviewed, the position had been submitted for exclusion approval, or an operational review of the position/work unit was underway.

Another 17 per cent of short-term temporary assignment opportunities were available as project or limited-term work, and the vast majority of these were extended because the project had not yet concluded or additional work had been assigned.

Means of Selecting an Employee for the Appointment

In three-quarters of the T<7s audited, which included some appointments that were ongoing for more than five years, managers reported that employees were selected without the use of a merit-based process. (A process where applicants are assessed for merit is the appropriate method of filling a temporary vacancy of more than seven months duration, and is a requirement of the *Public Service Act.*)

The most common ways employees were selected for these T<7s were through the hiring manager's direct knowledge of the employee's work or skill set (41 per cent), a competitive process (23 per cent), asking for an expression of interest and making a selection without a competitive process (18 per cent); and a referral or recommendation usually from another manager (7 per cent).

Use of Short-term Assignments for Developmental Purposes

A total of 30 per cent of the T<7s were described by managers as developmental in nature (i.e., the employee is not fully qualified for the position). In approximately half of these, the employee was selected based on the manager's knowledge of the employee's work/ skill set and half were selected through a notice of the opportunity circulated in some form to a number of employees. Slightly more than half of all the developmental T<7s ended when the position was later filled on a permanent basis, typically through a competitive process. In 70 per cent of cases, if the employees on temporary assignment applied in the competition for the permanent appointment, they were the successful applicants.

Short-term Assignments Becoming Permanent Appointments

The audit found that in half of the T<7s audited the position subsequently became available on a permanent basis. In some cases the permanent vacancy was filled through a direct appointment or a lateral transfer (12 per cent), but in the remainder of cases a competitive process was held (88 per cent). The employee on TA applied in 83 per cent of competitions held, and when they did apply they were the successful applicant 83 per cent of the time.

When a permanent vacancy was filled through a direct appointment or a lateral transfer, the employee on temporary assignment was appointed 77 per cent of the time. The audit noted however that some appointments described by the managers as "direct appointments" were made without the approval of the Head of the BC Public Service Agency (required under section 10 of the *Act*), and some appointments described by the managers as "lateral transfers" were, in fact, promotions.

In 92 per cent of the T<7s audited, the employee remained within the same ministry and the remainder involved a temporary move to another organization. These results show it is much more likely that employees will obtain a short-term TA within their own ministry; however there was no advantage for a subsequent permanent appointment over those who changed ministries.

Observations

Duration of Temporary Assignments

This was an audit of temporary appointments that had concluded. Within the audit population, 17 per cent of the T<7s had continued for more than two years, with some having continued for as long as four or five years. When examining the data to isolate the appointments for audit, it was noted that there were many other T<7s that had not concluded and that were ongoing well beyond the initial term of less than 7 months, suggesting a potential area of further study.

Clustering within Occupational Groups

The audit found that appointments to positions in the administrative officer and clerical series represented a higher percentage (33 per cent) of those T<7s that had exceeded one year than were represented in the overall larger population (22 per cent) of all concluded T<7s identified in the first stage of this audit. Given that employees in clerical positions respond less favourably than other employees to the questions in the BC Public Service's Work Environment Survey related to staffing practices, there may be a link between these two observations which could point to another area for further study.

Conclusions

This audit was narrow in scope and restricted to only a small portion of the temporary appointments that are made within the BC Public Service. Findings and conclusions must necessarily relate only to this small population. In conducting this audit, however,

it became clear that there are potentially large numbers of employees who have been temporarily promoted without the benefit of a merit-based process, and whose assignments have become long-term. These employees are in a position of advantage when they become candidates for permanent appointment to the same position. Choosing a short-term temporary appointment option where, under the circumstances, it would be more appropriate to use an open and transparent process assessing relative merit, could be viewed as a circumvention of the principle of merit-based hiring. Further study will be required.

Accountability

It was recognized, given the length of time some of the appointments subject to audit had been ongoing, that many of the original hiring managers would no longer be available to respond to the audit questionnaire. However, it was expected that basic documentation would be available to support the appointment decisions. The audit findings suggest a lack of accountability for these types of appointment decisions.

Circumstances Resulting in Temporary Appointments and Extensions

The number of lengthy TAs that were initially characterized as T<7 is of major concern, particularly given the methods by which employees are initially selected for short-term assignments and the frequency at which this group of employees becomes the source for permanent appointments.

These findings suggest that in many instances positions are being filled temporarily, with the expectation that they may eventually be filled permanently. In the majority of these cases, given that these temporary assignments tend to continue for more than seven months, it would be sound management practice for managers to use a process which would meet the test of merit. By adopting such a practice, not only would managers ensure that merit-based hiring is respected but they would also be ensuring that the employees they are temporarily appointing are the most qualified candidates for the assignment.

Means of Selecting an Employee for Appointment

The significant number of managers using a T<7 appointment option to fill and extend assignments for a long term without a competitive process may point to a lack of understanding or awareness of legitimate appointment options and requirements under the *Act*. This, coupled with other findings in this audit, indicates an area of risk related to merit-based appointments.

Use of Short-term Assignments for Developmental Purposes

Employees temporarily appointed to positions as a developmental opportunity frequently become successful in competitions to fill the same positions on a permanent basis. This implies that they have gained some of the required qualifications through the developmental assignment. Other employees who were not given consideration for the developmental opportunity do not have the same advantage. Given the methods by which these employees are initially selected, and the length of time the TAs continue, this practice could be considered unfair.

Short-term Assignments Becoming Permanent Appointments

In half of the T<7s audited, the positions became available on a permanent basis. The audit results show that there is a clear advantage to be gained by the employee who was in the position temporarily, for an extended period. This employee is most likely, primarily through competition, to be permanently appointed to the position. Since, as previously noted, employees are generally selected for short-term TAs without a competitive process, this is a significant area of concern.

These results confirm the need to make a reasonable initial determination of the likelihood that a TA will extend beyond seven months, and choose the appropriate appointment option. Where the manager has determined that the assignment is reasonably likely to continue for more than seven months, there is value in holding a competitive process, as well as the requirement to do so under the *Act*. This practice would also address issues of fairness related to employee access to temporary opportunities.

Recommendations

Based on the short-term temporary audit findings, the Merit Commissioner has made the following recommendations to the BC Public Service Agency.

1. It is recommended that the BC Public Service Agency develop and publish guidelines regulating the use of temporary appointments of seven months or less that will serve to ensure this appointment option is used appropriately and consistently. These guidelines should address the criteria that must be used to determine when it is appropriate to temporarily appoint an employee for a period of seven months or less, and when it is more appropriate to use a more than seven month temporary appointment. These criteria should also include specific guidelines related to the temporary appointments of employees who are not fully qualified and so require development in the position.

2. It is recommended that the BC Public Service Agency develop and publish guidelines related to situations where managers seek to renew or extend temporary appointments of seven months or less to a period that would, in total, be significantly beyond seven months. Given the provisions of the *Public Service Act* which require that temporary appointments of more than seven months be filled through a competitive process, application of these guidelines would help prevent the circumvention of the merit principle.

3. It is recommended that the BC Public Service Agency introduce a process for monitoring the use of this appointment option, including extensions and renewals which go beyond a total of seven months. This would contribute to a reduction in the number of lengthy appointments which, by virtue of the initial appointment process used, are not respecting the principles of merit-based hiring.

4. It is recommended that the BC Public Service Agency examine the significant number of T<7 appointments which have already well exceeded the initial seven month term and are still ongoing, with a view to identifying solutions to this ongoing problem.

Staffing Reviews

Overview

Since December 2003, Part 4 of the *Public Service Act* has given employees who are unsuccessful applicants in a competition the right to request a review of a hiring or promotion decision. The request must relate to the grounds that the appointment did not comply with the test of merit: that the individual was qualified for the job, and that the selection process was merit-based.

There is a two-step internal staffing review process, which begins with the employee requesting feedback from the hiring manager on performance during the staffing process or the reasons why the employee was not appointed. If unsatisfied, the employee may then request an inquiry by the deputy minister into the application of the principle of merit. For employees who are applying for an excluded position, the deputy minister's decision is final.

For employees who are applicants to bargaining unit positions, there is further recourse available: an independent review by the Merit Commissioner. This review involves discussions with the employee who requests the review and an analysis of all documentation related to the staffing process in question. The Merit Commissioner may request additional information, including verbal evidence to support the documentation. Discussions often occur with the manager responsible for the appointment decision, or with others involved in the assessment process. These discussions help the Merit Commissioner identify the issues and establish facts. After completing this review, the Merit Commissioner may find that the appointment was merit-based or direct that the appointment or proposed appointment be reconsidered. The Merit Commissioner's decision is final and binding.

Decisions

Requests filed in the 2009/2010 Fiscal Year

During the 2009/2010 fiscal year, the Merit Commissioner received six individual requests for review. Two requests were deemed ineligible as no appointments were ultimately made. In both cases the organization head had conducted an inquiry into the proposed appointment and directed that the proposed appointment be rescinded. In these cases, the competitions were cancelled and re-posted.

Four requests were eligible for review and decisions were issued by the Merit Commissioner within 30 days of receipt. Each involved a competition from a different ministry or organization. Two of the competitions were posted out of service and two were restricted to a department within the ministry. In all four cases, the Merit Commissioner found that the appointments made were the result of a merit-based process and that the individuals appointed were qualified for the job.

Grounds for Requests for Review

Employee applicants request a review of a hiring or promotion decision because they believe that the appointment is not merit-based. Review decisions, together with audit findings, give deputy ministers, hiring managers and employees who have requested a review an independent determination of whether the appointment was the result of a fair and reasonable merit-based process.

The review is guided by the requirements of legislation, hiring policy and collective agreement provisions that are related to merit-based hiring. The review acknowledges that managers have been delegated staffing authority: they are responsible and accountable for staffing decisions. A review by the Merit Commissioner is not intended to be a substitute for the judgment of a hiring manager.

In a review, the Merit Commissioner considers whether the assessment was based on the factors relevant to the work to be performed: whether the process, including steps and decisions made, was fair, consistent, transparent, reasonable, and objective.

a) Inconsistencies in selection process

Three of the four review requests included grounds related to one or more inconsistencies in the selection process, which employees believed resulted in an unfair process. Applicants' concerns included the following issues: the perception that some applicants may have received an additional interview; a delay between the application close date and when the applicants were assessed; candidates receiving different information prior to interviews; differences in how candidates were interviewed (i.e., in-person versus by telephone); technological difficulties experienced during the assessment process; and a discrepancy between the number of vacancies posted and the number filled.

It is understandable that an applicant may consider a process unfair if they are not provided the same treatment as other candidates during a staffing process. Fair treatment, however, does not mean that the staffing process must be exactly the same for each applicant. The reviews examined the variations between candidates in the selection process, and in each case found no evidence that any applicants were advantaged or disadvantaged as a result. Nonetheless, employee misperceptions that an appointment on merit was compromised, underscores the need for clear and open communication to staff regarding hiring practices and all aspects of the hiring process.

b) Assessment issues

All four employees requesting a review questioned the appropriateness of the assessment methodology.

In one case the employee believed some of the interview questions were scored inappropriately and assessed competencies that were not stated as a job requirement.

The review determined that an interpretive guide was used to mark candidate responses, that the same standards were applied to all applicants, and that an assessment of the stated criteria did occur. The employee was also concerned that past work performance was not considered in determining merit. The review found that the use of a staged assessment process, where candidates were eliminated from further assessment once they were determined not to have met the required qualifications (a common practice) was found to be reasonable.

In another case, the employee believed the written screening test was flawed because responses to one question were not used in the assessment. The Merit Commissioner noted that panels occasionally find that a particular test or question is problematic, when several applicants have misunderstood the question or it is not getting the results hoped for. In the competition in question, the panel made a reasonable decision to delete one of the questions and to reduce the total test score by the corresponding number of points. The review found that the same standards were applied to all candidates.

One review related to the discrepancies between a supervisor's assessment of an employee's past work performance in the context of the competition and the same supervisor's comments about the employee's work performance which was documented in a recent Employee Performance and Development Plan. Given the differences in nature and scope between the employee's current position and the vacancy being filled, this discrepancy was considered reasonable. The review also addressed grounds related to seeking references from the employee's internal clients and found such an approach reasonable, given the nature of the position.

c) Potential bias

Two of the four reviews included allegations of favouritism or bureaucratic patronage in the appointment decision. In one competition, all but one of the successful candidates reported to panel members, and amendments made to the job posting were seen as accommodating the qualifications of a successful candidate. In the other competition,

the employee believed the hiring manager may have had a personal friendship with one or more of the applicants, which may have resulted in a conflict of interest. In both cases, the circumstances of the competition were examined and no evidence of favouritism toward or a bias against any candidate was found.

d) Work environment

Two employees raised issues that did not touch on the merit of the appointment but their concerns were genuine and reflected their perception of staffing practices in their work environment. These issues included a concern that successful applicants had been confirmed in the positions while the appointments were still under review, and an expressed concern that a request for review could jeopardize future promotional opportunities.

The decision issued included confirmation that an appointment does not act as a bar to a review by the Merit Commissioner. However, should the Merit Commissioner find that an appointment was not merit-based the deputy minister or organization head responsible is legally bound to reconsider the appointment.

Critical to the integrity of a merit-based hiring process is an unsuccessful employee's statutory right to request a review and remain free of reprisal as a result of exercising that right. The Merit Commissioner drew the employee's concern of reprisal to the attention of the appropriate deputy minister, to encourage the deputy to take the necessary steps to ensure the ministry's culture is one of fairness and transparency and demonstrably supports an employee's right of review.

Delay in internal review

In one review, there was a delay of more than five months before the internal inquiry was completed by the deputy minister. The regulation provides a strict five-day time limit for employees to request feedback, inquiries or reviews, and the requirement in the BCGEU collective agreement is for the manager to provide feedback "as soon as practicable". Although there are no timelines imposed at the deputy minister level, the

Merit Commissioner noted that such delays in responding to employee concerns with respect to the application of the merit principle are not reasonable, and bring into question the fairness of the process, especially in the minds of those who may be affected.

Frequency of Requests for Review by Merit Commissioner

Since 2005/2006 the number of eligible requests for review by the Merit Commissioner received each year has been declining. Table 5 below provides further detail. Although the hiring activity across the BC Public Service was greatly reduced in 2009, there were still opportunities for unsuccessful employee applicants to apply for a review by the Merit Commissioner. Yet, only a few employees did.

Table 5: Year-to-Year Comparison of Staffing Reviews

Fiscal Year	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Requests for review received	32	12	15	11	15	6
Requests for review outstanding from previous fiscal year	–	16	4	–	–	–
Requests for review ineligible or withdrawn	5	1	1	1	4	2
Total eligible requests for review[a]	27	27	18	10	11	4
Decisions issued	11	22	18	10	11	4
Decisions deferred to next fiscal year	16	4	–	–	–	–
Merit applied	7	21	17	10	11	4
Merit not applied	2	–	1	–	–	–
Inconclusive	–	1	–	–	–	–

[a]Decisions issued may reflect requests for review from employees on multiple competitions and/or on competitions involving a request for review from more than one employee.

Given that the use of a recourse mechanism is generally an indicator of the level of satisfaction or dissatisfaction with the related system or policy, it would normally be expected that there would be a correlation between the number of requests for review received by the Merit Commissioner and the levels of dissatisfaction with staffing practices expressed by employees through the BC Public Service's Work Environment Survey (WES). However, this is not the case. WES results show that from 2009 to 2010, the number of employees who perceived hiring to be merit-based has deteriorated. In 2010, 30 per cent of employees disagreed that selection in their work unit was based on merit, and 27 per cent disagreed that it was fair.

The discrepancy in data between the number of review requests received by the Merit Commissioner and the WES results regarding staffing practices suggests there may be underlying issues or problems which need to be addressed, such as employees' lack of awareness, fear of reprisal within their organization, or perceived futility of pursuing a request for review.

The Merit Commissioner has in previous years indicated a desire to undertake a survey of employees to investigate the reasons for the low numbers of review requests received. It has become evident, however, that there are some underlying transparency issues that first need to be addressed. Specifically, this Office has noted an absence of accessible information available to employees about the staffing review process. In addition, data concerning the second step of the review process (i.e., details of all requests to an organization head to inquire into a proposed appointment, and their responses) is not currently available. Availability of this information may provide some insight into employees' concerns about merit-based hiring.

Recommendations

To address the concerns that have been identified with respect to the staffing review process, the Merit Commissioner makes the following recommendations.

1. It is recommended that the BC Public Service Agency provide employees with detailed information about their right to request a review of a staffing decision, including process steps and associated timelines. This information should, at least, be made available on the Agency's website in an easily accessed location, and include a link to the Office of the Merit Commissioner's website.

2. It is recommended that deputy ministers and organization heads ensure their organizational culture is demonstrably supportive of an employee's right of review.

3. It is recommended that the BC Public Service Agency establish a process to collect information concerning all requests for internal inquiry received by organization heads and all responses issued, and make this information available to the Merit Commissioner.

Budget and Resources

In November 2009, the Commissioner presented to an all-party committee of the Legislative Assembly performance measures for the past year, and a plan and proposed budget for the coming year. The Select Standing Committee on Finance and Government Operations reviewed the plan and achievements to date, and approved a budget for the future operation of the Office of the Merit Commissioner.

Budget and Expenditures 2009/2010

The Office of the Merit Commissioner's approved operating budget and expenditures for the 2009/2010 fiscal year are shown by expenditure type in Chart 3. Total 2009/2010 expenditures were $730,000; $225,000 under projected budget requirements (approximately 80 per cent of which relates to salaries and benefits). This under-expenditure was due in part to positions left unfilled pending the appointment of the new Merit Commissioner. Professional services were used to supplement staff resources resulting in a slight over-expenditure in that area.

Service Plan 2010/2011 to 2012/2013

Having met the previous goals, the Merit Commissioner presented a Service Plan for 2010/2011 to 2012/2013 which built on findings to date and recognized planned changes to the BC Public Service's hiring system. Specifically, the plan addressed the need to adapt the audit program to include appointment processes administered by the BC Public Service Agency's Hiring Centre. The results of the Work Environment Survey were also acknowledged, recognizing that there are groups of employees where a significant number disagree that merit is the basis for appointment in their work unit. It will be necessary for the Office to develop an appropriate audit approach to gain insight into this issue in the coming year. The other significant issue highlighted in the Service Plan is the need to develop a means of determining reasons for the sharp decline in the

number of requests for the Merit Commissioner to conduct a review of the application of merit in specific appointment processes.

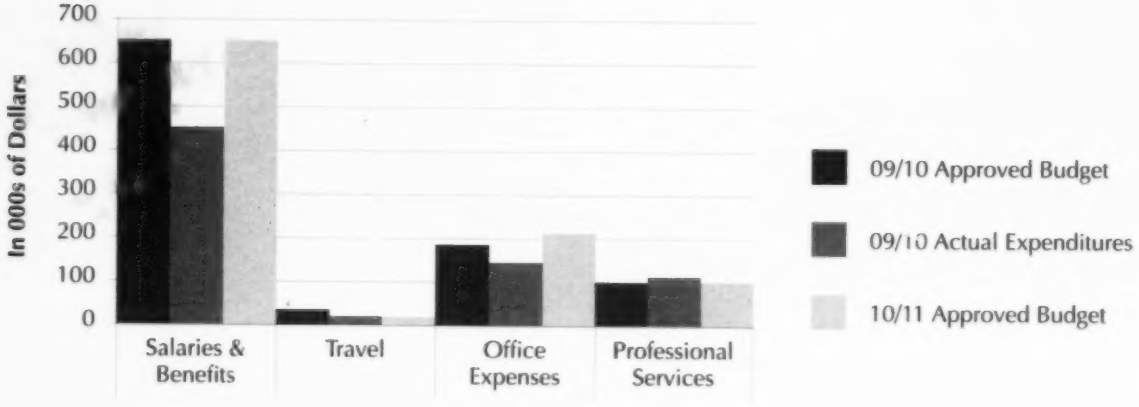
Budget 2010/2011

The Office reduced its budget requirements by five per cent in each of the areas of travel, central management and support services, and office and business expenses. Due to the planned move to new shared office space within the 2010/2011 fiscal year, a slight overall increase in budget was requested.

The Select Standing Committee approved a budget for the Office of the Merit Commissioner in the amount of $965,000, details of which also appear in Chart 3.

Chart 3

Operating Budget and Expenditures 2009/2010 and Approved Operating Budget 2010/2011



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APPENDIX A

Organizations Subject to Oversight by the Merit Commissioner

MINISTRIES

Aboriginal Relations and Reconciliation
Advanced Education and Labour Market Development
Agriculture and Lands
Attorney General
Children and Family Development
Citizens' Services
Community and Rural Development
Education
Energy, Mines and Petroleum Resources
Environment
Finance
Forests and Range
Health Services
Healthy Living and Sport
Housing and Social Development
Labour
Office of the Premier and Cabinet Office
Public Safety and Solicitor General
Small Business, Technology and Economic Development
Tourism, Culture and the Arts
Transportation and Infrastructure

INDEPENDENT OFFICES

Auditor General
Elections BC
Information and Privacy Commissioner
Merit Commissioner
Ombudsperson
Police Complaint Commissioner
Representative for Children and Youth

AGENCIES, BOARDS and COMMISSIONS

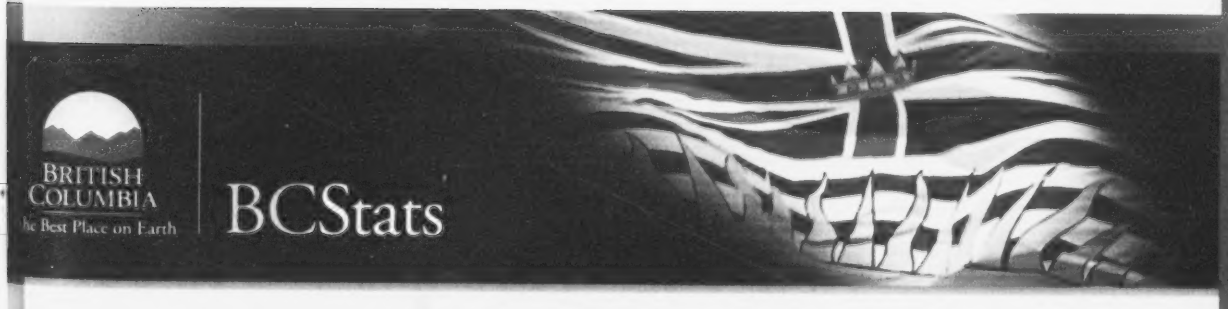
BC Mental Health Society
BC Pension Corporation
BC Public Service Agency
Broadmead Care Society
Environmental Appeal Board
Financial Institutions Commission
Forensic Psychiatric Services Commission
Forest Appeals Commission
Forest Practices Board
Islands Trust
Oak Bay Lodge Continuing Care Society
Provincial Capital Commission
Public Sector Employers' Council
Royal BC Museum

APPENDIX B

RANDOM SELECTION FOR THE 2009 MERIT PERFORMANCE AUDIT

Prepared for the Office of the Merit Commissioner

June 2010



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BACKGROUND

The Office of the Merit Commissioner was established by legislation in August 2001. Under this legislation, the Merit Commissioner is responsible for performing audits of public service appointments, as part of a program of monitoring the application of the merit principle under section 8 of the *Public Service Act*. The results of the audits are reported to the heads of ministries and other organizations. In aggregate, the results are also communicated to the Legislative Assembly as part of the annual report of the Commissioner.

The audits are designed to assess whether recruitment and selection practices have resulted in appointments based on merit, and whether individuals possess the required qualifications for the position to which they were appointed. This requires a close study of the details of each appointment by an expert in staffing processes.

To support the audit process, BC Stats developed a sampling solution to ensure that the cases selected for the audit were both random and representative. This paper describes the appointments that occurred within the 2009 calendar year, and explains the method that was used to make an audit selection from these appointments.

Between 2001 and 2005, the resources available for auditing were limited and the number of appointments audited were constrained accordingly. With the 2006 appointment of the first Merit Commissioner as an independent Officer of the Legislature, the annual audit increased in size. The sample rate was increased such that it was robust enough to generalize the audit results to the population of appointments with greater certainty. The increase in the sampling rate was maintained for both the 2007 and 2009 audit years. Focusing on the 2009 audit, 302 appointments were audited from an adjusted population of 2,429 appointments.[1]

Table 1(a) summarizes the in-scope population and sample counts across audit years *prior* to the establishment of the Office of the Merit Commissioner as an independent office.

Table 1(a): Year-Over-Year Comparison of In-Scope Population and Sample Counts

Year	Number of Appointments	Number of Audits	Sampling Rate
2001	1,481	39	2.6%
2002	1,835	30	1.6%
2003	2,772	40	1.4%
2004	2,904	39	1.3%
2005	2,871	70	2.4%

[1] See "Random Selection of Cases" for a full discussion of the number of appointments originally put forward for audit. A certain proportion, upon review, was deemed out of scope and this proportion was then estimated back into the original population.

Table 1(b) summarizes the in-scope population and sample counts across audit years *following* the establishment of the Office of the Merit Commissioner as an independent office.

Table 1(b): Year-Over-Year Comparison of In-Scope Population and Sample Counts

Year	Number of Appointments	Number of Audits	Sampling Rate
2006	3,754	308	8.2%
2007	5,508	531	9.6%
2008*	n/a	n/a	n/a
2009	2,429	302	12.4%

*It should be noted that an annual audit was not conducted in 2008 and, as a result, a count of appointments occurring within the 2008 calendar year was not obtained for this study.

2009 APPOINTMENT DEMOGRAPHICS

The Office of the Merit Commissioner defined the population of appointments for the 2009 audit according to two key factors: the type of appointment and the timeframe in which the appointment occurred. The timeframe for the 2009 audit encompassed the 2009 calendar year, beginning on January 1st, 2009 and concluding on December 31st, 2009. The type of appointment to be audited included direct appointments, permanent appointments and temporary appointments for more than seven months. The remaining appointments that occurred in the 2009 calendar year and are within the Merit Commissioner's jurisdiction of appointments made under section 8 of the *Public Service Act* (i.e., auxiliary appointments and temporary appointments of seven months or less), were excluded from the audit population. Based on these query parameters, a final population of 2,798 appointments was identified.

A high level demographic and geographic analysis indicated that appointments occurring in the 2009 calendar year tended to cluster around a relatively small number of occupations, organizations and geographies.

With respect to the occupational results, of the 209 job classifications within the 2009 audit population, four were found to comprise over 28% of the total population of 2,798 appointments. Similar to the 2007 audit population, the job classifications with the highest incidence in 2009 were "Business Leadership" and "Applied Leadership" with 331 and 185 appointments respectively. A summary of the top four job classifications for 2009 is provided in Table 2.

Table 2: Top Four Job Classifications by Number of Appointments

Job Description	Number of Appointments	Percentage of All Appointments
Business Leadership	331	11.8%
Applied Leadership	185	6.6%
Clerk R9	146	5.2%
Correctional Services Training	126	4.5%

At the organization or ministry level, the frequency of appointments was, as to be expected, highest for those organizations with the largest total populations. In combination, the five organizations with the largest number of appointments collectively accounted for nearly 50% of the total number of appointments in 2009. Table 3 provides a summary of the top five organizations' results.

Table 3: Top Five Organizations by Number of Appointments

Ministry	Number of Appointments	Percentage of All Appointments
Attorney General	405	14.5%
Public Safety & Solicitor General	331	11.8%
Child & Family Development	293	10.5%
Citizens' Services	199	7.1%
Transportation & Infrastructure	157	5.6%

Looking at the appointment population on a geographic level revealed a roughly equivalent split between the number of appointments in Victoria and the number of appointments throughout the rest of the province. Focusing specifically on the non-Victoria appointments indicated a further fifty-fifty split between appointments from the Greater Vancouver Regional District (GVRD) and those occurring throughout the remainder of the province. A breakdown of these results can be found in Table 4.

Table 4: Broad Geographies by Number of Appointments

City	Number of Appointments	Percentage of All Appointments
Victoria	1,373	49.1%
GVRD	726	25.9%
Other	699	25.0%

RANDOM SELECTION OF CASES

The objective of the Office of the Merit Commissioner's annual audit is to randomly sample all permanent new hires and promotions, and temporary appointments greater than seven months in order to obtain an unbiased picture of the application of the merit principle under the *Public Service Act*. However, while a random sample offers a generally unbiased representation of an overall population, the sample's representativeness for specific groups within the population may be limited due to constraints imposed by the size of the population and the sample. For this reason, the population was stratified prior to sample selection to ensure adequate representation in the final sample. The data stratification process is described later in this report.

The 2009 audit introduced an additional consideration to the sampling plan so as to better support the operational requirements of the audit. Whereas in previous years samples were drawn annually, or biannually, from the audit population, the samples for the 2009 audit were selected on a much more frequent basis. It was determined that a regular sampling window, based on a roughly three week interval, would provide auditors with a consistent stream of sample points throughout the year. For each sampling window, a cumulative list of appointments made from January 1, 2009 to the date of the pull, was provided to BC Stats. The list was filtered to distinguish appointments that had already appeared in a previous sampling window. In addition to identifying new appointments, the filtering process was also used to identify unique appointments for employees with multiple entries in the cumulative list. This filtering process provided a final population of appointments from which independent samples could be drawn.

In total, 20 samples were drawn throughout the 2009 audit year. A summary of the 20 sampling windows and their associated sampling rates are provided in Table 5.

Table 5: 2009 Sampling and Population Characteristics

Sample Window	Sample Size	Population Size	Systematic Sampling Rate*	Actual Sampling Rate
January 20, 2009	39	310	10%	12.6%
February 6, 2009	21	236	10%	8.9%
February 28, 2009	21	229	10%	9.2%
March 20, 2009	27	243	10%	11.1%
March 20, 2009**	3	26	10%	11.5%
April 17, 2009	23	249	10%	9.2%
May 8, 2009	20	197	10%	10.2%
May 22, 2009	12	132	10%	9.1%
June 19, 2009	41	213	20%	19.2%
June 19, 2009**	4	53	10%	7.5%
July 17, 2009	30	254	12%	11.8%
August 7, 2009	16	121	12%	13.2%

Sample Window	Sample Size	Population Size	Systematic Sampling Rate*	Actual Sampling Rate
September 4, 2009	27	151	17%	17.9%
September 25, 2009	17	109	16%	15.6%
September 25, 2009**	6	51	10%	11.8%
October 23, 2009	13	61	20%	21.3%
November 13 ,2009	7	33	20%	21.2%
December 11, 2009	15	67	20%	22.4%
December 31, 2009	10	54	20%	18.5%
December 31, 2009**	2	9	20%	22.2%
Total	**354**	**2,798**	**-**	**12.7%**

*The systematic sampling rate represents the initial rate at which sample points were drawn from a sample window's population (e.g., one out of every ten appointments were selected in the January 1st to January 20th sample window). As none of the population sizes were evenly divisible by their respective systematic sample rate, in addition to the influence of random start counts, the actual sampling rates slightly differed from the systematic rates.
**As Liquor Distribution Branch (LDB) appointment information is maintained in a database separate from the overall BC Public Service, LDB appointments were reported and sampled separately, on a quarterly basis.

In addition to providing a steady number of sample appointments throughout the audit year, the inclusion of numerous sampling windows allowed for changes in sampling rates[2] as the year progressed. This offered the Office of the Merit Commissioner greater control in aligning specific sample sizes with their operational capacity. Furthermore, as it was unclear how many appointments would occur over the course of the year, it was possible to adjust the sample rate such that final sample size was sufficiently large regardless of the final size of the population. With this in mind, the Office of the Merit Commissioner requested BC Stats to begin sampling at a rate 10%, with the goal of obtaining a final sample size that was comparable to the 2006 and 2007 audit years. Based on this sampling plan, a final sample size of 354 appointments was drawn from the total population of 2,798 appointments.

As in previous years, three key categories were selected to stratify the data, based on their relative importance. Using a set of category definitions similar to those used in previous annual audits, the 2009 appointments were stratified by their bargaining unit status and appointment type. However, an important change to the stratification plan was implemented in the 2009 audit. Specifically, due to the statistical complexities[3] arising from an overly stratified sample, the previously-used ministry/organization *type*

[2] The sampling methodology for the 2009 audit year was initially developed with an automated query-based selection routine in mind (i.e., a systemic sampling procedure was defined to capture ongoing appointments). Pending implementation of the automated sampling process, manual sampling was performed on the initial sampling windows to simulate the automated sampling routine. Unfortunately, the automated system proved to be an untenable solution, and as a result, manual systematic sampling continued throughout the entire audit year. To ensure randomness in selection, random start counts were used for the first sample window, and the ongoing sample counts were carried over from one sampling window to the next.

[3] The ministry/organization *type* stratification used in 2007 presented two concerns for the 2009 annual audit. Firstly, to account for the possibility of organizational restructuring during the 2009 audit year, an ongoing sampling plan stratified by individual organizations was determined to be unfeasible (i.e., samples drawn before and after the restructuring would have limited comparability). Secondly, as high levels of stratification can lead to inflated standard error estimates, this would be particularly problematic given the low incidence of certain merit findings. With over 30 organizations included in the audit, the resulting number of cells in the stratification plan would likely lead to over-stratification, even for large samples.

stratum was replaced in favour of a ministry/organization *size* stratum. The three categories chosen for the 2009 were defined as follows:

- Ministry/organization size - Smaller than 200 employees, 200 to 499 employees, 500 to 1000 employees, larger than 1000 employees;
- Appointment type - Permanent appointment, temporary appointment of more than seven months, direct appointment; and
- Bargaining unit status – Included, excluded.

A 4x3x2 matrix was built to reflect the number of possibilities in each of the above three categories, providing a total of 24 "cells" into which appointments could be sorted.

In terms of disproportionate-sampling, unlike the 2007 audit, direct appointments were sampled at the same rate as the temporary appointments exceeding seven months and permanent appointments. In 2009, certain portions of the population were under-sampled so as to better optimise the distribution of the full sample. A post stratification weighting adjustment ensured that any bias introduced by disproportionate sampling was largely minimized in the final population estimates.

Of the 354 randomly-sampled appointments, the Office of the Merit Commissioner identified 52 cases as being out-of-scope, primarily due to coding errors in the source data. These 52 cases were removed from the sample, leaving 302 appointments that were audited.

However, since 52 records represented a significant fraction of the sample size (i.e., 14.7%), BC Stats used the strata information to estimate back into the original population how many cases would likely be deemed to be out-of-scope if in fact the entire population of cases had been audited. The statistics presented in the rest of the report are based on this reduced population (302/2,429). In summary, random sampling was used to ensure broad-based auditing of all appointments. Sampling independently in the above-mentioned categories ensured correct proportional coverage of:

- a range of differently-sized organizations/ministries;
- permanent, temporary and direct appointments; and
- included versus excluded appointments.

It should be noted that, due to the fine-grained detail offered by the sampling plan, BC Stats was able to obtain representative coverage across several non-stratified categories, including new (external) hires versus employee (internal) hires. This, in turn, made it possible to develop a year-over-year analysis across all audits, while still avoiding concerns of over-stratification and statistical bias. With these considerations in mind, the chance of audit was *virtually* identical for each and every appointment, while the correct proportion of audits remained guaranteed in the most important categories.

As a final note regarding the stratification plan, the calculation of sample weights was not limited to the sample strata, but included information from the differing sample rates

as well as the relative proportion of under-sampling for certain occupations. Focusing on the changes in sample rates, the addition of sampling rate weight adjustment was necessary to ensure that employees included in the high sample rate windows were not over-represented in the final results. This resulted in the creation of a weight category comprised of five sample rate values: 10%, 12%, 16%, 17%, and 20%. In combination with a weight adjustment for under-sampled occupations, a set of 128 unique weights were created to adjust for bias in the overall sample.

DISTRIBUTION OF AUDITS

The following four tables show how the audits are distributed according to various characteristics of appointments. Three of the four tables (appointment type, bargaining unit status and ministry/organization size) represent the categories that were used in sample stratifications for earlier iterations of the study. While the sampling methodology for the 2009 annual audit did differ from previous audits, the data presented in Tables 6 through 9 below has been organized in a format that reflects the tabulations from previous years' results to allow for year-over-year comparisons. In all cases, percentages were rounded to the first decimal place, and sum to 100%. The match between the sample percentages and the corresponding percentages among all appointments is quite close, indicating that the sample is reasonably representative of the whole.

Table 6: Audits by Appointment Type

Appointment Type	Adjusted Number of Appointments	Percent of All Appointments	Number of Audits	Percent of All Audits
Direct Appointment	9	0.4%	4	1.3%
Temporary > 7 Months	99	4.1%	9	3.0%
Permanent Hire	2,321	95.5%	289	95.7%

Table 7: Audits by Bargaining Unit Status

Bargaining Unit Status	Adjusted Number of Appointments	Percent of All Appointments	Number of Audits	Percent of All Audits
Excluded	633	26.1%	83	27.5%
Included	1,796	73.9%	219	72.5%

Table 8: Audits by Organization Size

Organizations Size*	Adjusted Number of Appointments	Percent of All Appointments	Number of Audits	Percent of All Audits
Large	1,702	70.1%	207	68.5%
Small	727	29.9%	95	31.5%

* Organization size was based on total regular employment at the start of the study period. In this table, organizations with more than 1,000 employees were deemed large, and organizations with 1,000 employees or less were deemed small (i.e., combines three sizes in the stratum: 500 to 1000 employees; 200 to 499 employees; and smaller than 200 employees).

Table 9: Audits by Hire Status

Hire Status	Adjusted Number of Appointments	Percent of All Appointments	Number of Audits	Percent of All Audits
Internal Hire	1,734	71.4%	223	73.8%
New Hire	695	28.6%	79	26.2%

USES AND LIMITATIONS OF AUDIT RESULTS

Sampling is used to control costs and minimize respondent burden. Auditing competition files after the competitions have closed is both expensive and time-consuming. As each file in an audit must be reviewed with the same degree of diligence, there are limited cost savings for conducting a larger sample. A sample four times larger would cost nearly four times more to complete. The appointments selected for auditing provided a random and representative sample of all appointments in 2009 and as a result, the audit selection was unbiased in regards to the sampling framework.

In terms of year-over-year comparisons, while the number of audits conducted in 2009 (302) was less than in 2007 (531), this was a reflection of 2009's reduced overall population of appointments (i.e., decreased hiring activity), rather than a decrease in the sampling rate. In fact, the reduction in population size was partly mediated by an increase in the sampling rate in 2009, which helped to minimize the discrepancy in error estimates between the 2007 and 2009 results. Given the roughly equivalent sample sizes across the three most recent audit years, findings for the 2009 audit provided a level of precision comparable to the estimates obtained in the 2006 and 2007 audit years. This in turn, allowed for a high degree of confidence in identifying the number of "merit not applied" and "merit with exception" appointments within the population of appointments[4].

Based on these considerations, results from the 2009 audit continue to offer a high degree of assurance about the application of merit in the appointment process. Given the precision of the estimates, and the representativeness of the sample, a high level of confidence can be placed in the accuracy of the 2009 merit findings.

[4] See the Appendix, page 11 of this report, for a summary of the estimated audit findings and their associated confidence intervals.

APPENDIX

ESTIMATES AND CONFIDENCE INTERVALS FOR 2009 APPOINTMENT AUDIT DATA

In order to apply confidence intervals to the estimates for the 2009 Merit Performance Audit, BC Stats employed a methodology consistent with the methods used in previous Merit Commission Audits. As with the earlier audits, several important details should be considered when reviewing the estimates and their associated confidence intervals.

- A Chi-square test was used to verify there was no relationship between audit failure rates and years.(i.e. it's possible to aggregate values across multiple years)
- After combining the data, there was a small design effect (deff) observed, due mainly to the different sampling rates in each year. As a result, the micro data was weighted in order to produce the best estimates.
- As the sample size (302) relative to the audit failure (<5%) rate was so low, a normal approximation to the binomial could not be used. As a result, a more exact calculation was made through an F distribution. This in turn produced asymmetric confidence intervals around the estimates.
- The interpretation of the 95% interval is that there is less than 1 chance in 20 (less than 5% probability) that the true population percentage lies outside the interval.
- Generally, with audit data, the upper bound provides the estimate of greatest interest (i.e. how high could the true percent be?). If this is the case, it is possible to report only a 90% upper bound. The interpretation would be that there is less than a 5% chance the true population percentage is greater than the upper bound.

Table 10: Estimated Audit Findings and Confidence Intervals

Audit	Audit Finding	Estimate (weighted)	Standard Error (deff)	95% Confidence Interval		90% Confidence Interval
				Lower	Upper	Upper
All Audits (2001-2009)	Merit Not Applied	2.8%	0.7%	1.7%	3.5%	3.3%
	Unable to Determine	1.7%	0.5%	1.1%	2.5%	2.4%
2009 Audit	Merit Not Applied	2.6%	0.9%	1.1%	5.2%	4.8%
	Unable to Determine	0.4%	0.3%	0.0%	2.1%	1.7%
	Merit With Exception	24.7%	2.3%	19.9%	29.9%	29.1%
	Total	27.7%	2.4%	22.8%	33.2%	32.3%

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